109TH CONGRESS 2D SESSION

H. R. 4761

AN ACT

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE.

- This Act may be cited as the "Deep Ocean Energy
- 3 Resources Act of 2006".
- 4 SEC. 2. POLICY.

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- 5 It is the policy of the United States that—
- 6 (1) the United States is blessed with abundant 7 energy resources on the outer Continental Shelf and 8 has developed a comprehensive framework of envi-9 ronmental laws and regulations and fostered the de-10 velopment of state-of-the-art technology that allows 11 for the responsible development of these resources 12 for the benefit of its citizenry;
 - (2) adjacent States are required by the circumstances to commit significant resources in support of exploration, development, and production activities for mineral resources on the outer Continental Shelf, and it is fair and proper for a portion of the receipts from such activities to be shared with Adjacent States and their local coastal governments;
 - (3) the existing laws governing the leasing and production of the mineral resources of the outer Continental Shelf have reduced the production of mineral resources, have preempted Adjacent States from being sufficiently involved in the decisions regarding the allowance of mineral resource develop-

- 1 ment, and have been harmful to the national inter-2 est;
 - (4) the national interest is served by granting the Adjacent States more options related to whether or not mineral leasing should occur in the outer Continental Shelf within their Adjacent Zones;
 - (5) it is not reasonably foreseeable that exploration of a leased tract located more than 25 miles seaward of the coastline, development and production of a natural gas discovery located more than 25 miles seaward of the coastline, or development and production of an oil discovery located more than 50 miles seaward of the coastline will adversely affect resources near the coastline;
 - (6) transportation of oil from a leased tract might reasonably be foreseen, under limited circumstances, to have the potential to adversely affect resources near the coastline if the oil is within 50 miles of the coastline, but such potential to adversely affect such resources is likely no greater, and probably less, than the potential impacts from tanker transportation because tanker spills usually involve large releases of oil over a brief period of time; and
 - (7) among other bodies of inland waters, the Great Lakes, Long Island Sound, Delaware Bay,

- 1 Chesapeake Bay, Albemarle Sound, San Francisco
- 2 Bay, and Puget Sound are not part of the outer
- 3 Continental Shelf, and are not subject to leasing by
- 4 the Federal Government for the exploration, develop-
- 5 ment, and production of any mineral resources that
- 6 might lie beneath them.

7 SEC. 3. DEFINITIONS UNDER THE OUTER CONTINENTAL

- 8 SHELF LANDS ACT.
- 9 Section 2 of the Outer Continental Shelf Lands Act
- 10 (43 U.S.C. 1331) is amended—
- 11 (1) by amending paragraph (f) to read as fol-
- lows:
- 13 "(f) The term 'affected State' means the Adjacent
- 14 State.";
- 15 (2) by striking the semicolon at the end of each
- of paragraphs (a) through (o) and inserting a pe-
- 17 riod;
- 18 (3) by striking "; and" at the end of paragraph
- 19 (p) and inserting a period;
- 20 (4) by adding at the end the following:
- 21 "(r) The term 'Adjacent State' means, with respect
- 22 to any program, plan, lease sale, leased tract or other ac-
- 23 tivity, proposed, conducted, or approved pursuant to the
- 24 provisions of this Act, any State the laws of which are
- 25 declared, pursuant to section 4(a)(2), to be the law of the

- 1 United States for the portion of the outer Continental
- 2 Shelf on which such program, plan, lease sale, leased tract
- 3 or activity appertains or is, or is proposed to be, con-
- 4 ducted. For purposes of this paragraph, the term 'State'
- 5 includes Puerto Rico and the other Territories of the
- 6 United States.
- 7 "(s) The term 'Adjacent Zone' means, with respect
- 8 to any program, plan, lease sale, leased tract, or other ac-
- 9 tivity, proposed, conducted, or approved pursuant to the
- 10 provisions of this Act, the portion of the outer Continental
- 11 Shelf for which the laws of a particular Adjacent State
- 12 are declared, pursuant to section 4(a)(2), to be the law
- 13 of the United States.
- "(t) The term 'miles' means statute miles.
- 15 "(u) The term 'coastline' has the same meaning as
- 16 the term 'coast line' as defined in section 2(c) of the Sub-
- 17 merged Lands Act (43 U.S.C. 1301(c)).
- 18 "(v) The term 'Neighboring State' means a coastal
- 19 State having a common boundary at the coastline with the
- 20 Adjacent State."; and
- 21 (5) in paragraph (a), by inserting after "con-
- trol" the following: "or lying within the United
- 23 States exclusive economic zone adjacent to the Terri-
- tories of the United States".

1 SEC. 4. DETERMINATION OF ADJACENT ZONES AND PLAN-

- 2 NING AREAS.
- 3 Section 4(a)(2)(A) of the Outer Continental Shelf
- 4 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the
- 5 first sentence by striking ", and the President" and all
- 6 that follows through the end of the sentence and inserting
- 7 the following: ". The lines extending seaward and defining
- 8 each State's Adjacent Zone, and each OCS Planning Area,
- 9 are as indicated on the maps for each outer Continental
- 10 Shelf region entitled 'Alaska OCS Region State Adjacent
- 11 Zone and OCS Planning Areas', 'Pacific OCS Region
- 12 State Adjacent Zones and OCS Planning Areas', 'Gulf of
- 13 Mexico OCS Region State Adjacent Zones and OCS Plan-
- 14 ning Areas', and 'Atlantic OCS Region State Adjacent
- 15 Zones and OCS Planning Areas', all of which are dated
- 16 September 2005 and on file in the Office of the Director,
- 17 Minerals Management Service.".
- 18 SEC. 5. ADMINISTRATION OF LEASING.
- 19 Section 5 of the Outer Continental Shelf Lands Act
- 20 (43 U.S.C. 1334) is amended by adding at the end the
- 21 following:
- 22 "(k) Voluntary Partial Relinquishment of a
- 23 Lease.—Any lessee of a producing lease may relinquish
- 24 to the Secretary any portion of a lease that the lessee has
- 25 no interest in producing and that the Secretary finds is
- 26 geologically prospective. In return for any such relinquish-

- 1 ment, the Secretary shall provide to the lessee a royalty
- 2 incentive for the portion of the lease retained by the lessee,
- 3 in accordance with regulations promulgated by the Sec-
- 4 retary to carry out this subsection. The Secretary shall
- 5 publish final regulations implementing this subsection
- 6 within 365 days after the date of the enactment of the
- 7 Deep Ocean Energy Resources Act of 2006.
- 8 "(1) Natural Gas Lease Regulations.—Not later
- 9 than July 1, 2007, the Secretary shall publish a final regu-
- 10 lation that shall—
- 11 "(1) establish procedures for entering into nat-
- 12 ural gas leases;
- 13 "(2) ensure that natural gas leases are only
- available for tracts on the outer Continental Shelf
- that are wholly within 100 miles of the coastline
- within an area withdrawn from disposition by leas-
- ing on the day after the date of enactment of the
- Deep Ocean Energy Resources Act of 2006;
- 19 "(3) provide that natural gas leases shall con-
- tain the same rights and obligations established for
- oil and gas leases, except as otherwise provided in
- the Deep Ocean Energy Resources Act of 2006;
- 23 "(4) provide that, in reviewing the adequacy of
- bids for natural gas leases, the value of any crude

- oil estimated to be contained within any tract shall be excluded;
- "(5) provide that any crude oil produced from a well and reinjected into the leased tract shall not be subject to payment of royalty, and that the Secretary shall consider, in setting the royalty rates for a natural gas lease, the additional cost to the lessee of not producing any crude oil; and
- 9 "(6) provide that any Federal law that applies 10 to an oil and gas lease on the outer Continental 11 Shelf shall apply to a natural gas lease unless other-12 wise clearly inapplicable.".

13 SEC. 6. GRANT OF LEASES BY SECRETARY.

- Section 8 of the Outer Continental Shelf Lands Act
- 15 (43 U.S.C. 1337) is amended—
- (1) in subsection (a)(1) by inserting after the first sentence the following: "Further, the Secretary may grant natural gas leases in a manner similar to the granting of oil and gas leases and under the var-
- 20 ious bidding systems available for oil and gas
- 21 leases.";
- 22 (2) by adding at the end of subsection (b) the
- following:
- 24 "The Secretary may issue more than one lease for a given
- 25 tract if each lease applies to a separate and distinct range

- 1 of vertical depths, horizontal surface area, or a combina-
- 2 tion of the two. The Secretary may issue regulations that
- 3 the Secretary determines are necessary to manage such
- 4 leases consistent with the purposes of this Act.";
- 5 (3) by amending subsection (p)(2)(B) to read 6 as follows:
 - "(B) The Secretary shall provide for the payment to coastal states, and their local coastal governments, of 75 percent of Federal receipts from projects authorized under this section located partially or completely within the area extending seaward of State submerged lands out to 4 marine leagues from the coastline, and the payment to coastal states of 50 percent of the receipts from projects completely located in the area more than 4 marine leagues from the coastline. Payments shall be based on a formula established by the Secretary by rulemaking no later than 180 days after the date of the enactment of the Deep Ocean Energy Resources Act of 2006 that provides for equitable distribution, based on proximity to the project, among coastal states that have coastline that is located within 200 miles of the geographic center of the project.".
 - (4) by adding at the end the following:

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"(q) Natural Gas Leases.—

- "(1) Right to produce natural gas.—A lessee of a natural gas lease shall have the right to produce the natural gas from a field on a natural gas leased tract if the Secretary estimates that the discovered field has at least 40 percent of the eco-nomically recoverable Btu content of the field con-tained within natural gas and such natural gas is ec-onomical to produce.
 - "(2) CRUDE OIL.—A lessee of a natural gas lease may not produce crude oil from the lease.
 - "(3) ESTIMATES OF BTU CONTENT.—The Secretary shall make estimates of the natural gas Btu content of discovered fields on a natural gas lease only after the completion of at least one exploration well, the data from which has been tied to the results of a three-dimensional seismic survey of the field. The Secretary may not require the lessee to further delineate any discovered field prior to making such estimates.
 - "(4) DEFINITION OF NATURAL GAS.—For purposes of a natural gas lease, natural gas means natural gas and all substances produced in association with gas, including, but not limited to, hydrocarbon liquids (other than crude oil) that are obtained by

- 1 the condensation of hydrocarbon vapors and sepa-
- 2 rate out in liquid form from the produced gas
- 3 stream.
- 4 "(r) Removal of Restrictions on Joint Bidding
- 5 IN CERTAIN AREAS OF THE OUTER CONTINENTAL
- 6 Shelf.—Restrictions on joint bidders shall no longer
- 7 apply to tracts located in the Alaska OCS Region. Such
- 8 restrictions shall not apply to tracts in other OCS regions
- 9 determined to be 'frontier tracts' or otherwise 'high cost
- 10 tracts' under final regulations that shall be published by
- 11 the Secretary by not later than 365 days after the date
- 12 of the enactment of the Deep Ocean Energy Resources
- 13 Act of 2006.
- 14 "(s) ROYALTY SUSPENSION PROVISIONS.—The Sec-
- 15 retary shall agree to a request by any lessee to amend
- 16 any lease issued for Central and Western Gulf of Mexico
- 17 tracts during the period of January 1, 1998, through De-
- 18 cember 31, 1999, to incorporate price thresholds applica-
- 19 ble to royalty suspension provisions, or amend existing
- 20 price thresholds, in the amount of \$40.50 per barrel (2006)
- 21 dollars) for oil and for natural gas of \$6.75 per million
- 22 Btu (2006 dollars). Any amended lease shall impose the
- 23 new or revised price thresholds effective October 1, 2005.
- 24 Existing lease provisions shall prevail through September
- 25 30, 2005. After the date of the enactment of the Deep

- 1 Ocean Energy Resources Act of 2006, price thresholds
- 2 shall apply to any royalty suspension volumes granted by
- 3 the Secretary. Unless otherwise set by Secretary by regu-
- 4 lation or for a particular lease sale, the price thresholds
- 5 shall be \$40.50 for oil (2006 dollars) and \$6.75 for nat-
- 6 ural gas (2006 dollars).
- 7 "(t) Conservation of Resources Fees.—
- 8 "(1) Not later than one year after the date of
- 9 the enactment of the Deep Ocean Energy Resources
- Act of 2006, the Secretary by regulation shall estab-
- lish a conservation of resources fee for producing
- leases that will apply to new and existing leases
- which shall be set at \$9 per barrel for oil and \$1.25
- per million Btu for gas. This fee shall only apply to
- leases in production located in more than 200 me-
- ters of water for which royalties are not being paid
- when prices exceed \$40.50 per barrel for oil and
- \$6.75 per million Btu for natural gas in 2006, dol-
- lars. This fee shall apply to production from and
- after October 1, 2005, and shall be treated as offset-
- 21 ting receipts.
- "(2) Not later than one year after the date of
- the enactment of the Deep Ocean Energy Resources
- Act of 2006, the Secretary by regulation shall estab-
- lish a conservation of resources fee for nonproducing

1	leases that will apply to new and existing leases
2	which shall be set at \$3.75 per acre per year. This
3	fee shall apply from and after October 1, 2005, and
4	shall be treated as offsetting receipts.";
5	(5) by striking subsection (a)(3)(A) and redes-
6	ignating the subsequent subparagraphs as subpara-
7	graphs (A) and (B), respectively;
8	(6) in subsection (a)(3)(A) (as so redesignated)
9	by striking "In the Western" and all that follows
10	through "the Secretary" the first place it appears
11	and inserting "The Secretary"; and
12	(7) effective October 1, 2006, in subsection
13	(g)—
14	(A) by striking all after "(g)", except para-
15	graph (3);
16	(B) by striking the last sentence of para-
17	graph (3); and
18	(C) by striking "(3)".
19	SEC. 7. DISPOSITION OF RECEIPTS.
20	Section 9 of the Outer Continental Shelf Lands Act
21	(43 U.S.C. 1338) is amended—
22	(1) by designating the existing text as sub-
23	section (a);

1	(2) in subsection (a) (as so designated) by in-
2	serting ", if not paid as otherwise provided in this
3	title" after "receipts"; and
4	(3) by adding the following:
5	"(b) Treatment of OCS Receipts From Tracts
6	Completely Within 100 Miles of the Coastline.—
7	"(1) Deposit.—The Secretary shall deposit
8	into a separate account in the Treasury the portion
9	of OCS Receipts for each fiscal year that will be
10	shared under paragraphs (2), (3), and (4).
11	"(2) Phased-in receipts sharing.—
12	"(A) Beginning October 1, 2005, the Sec-
13	retary shall share OCS Receipts derived from
14	the following areas:
15	"(i) Lease tracts located on portions
16	of the Gulf of Mexico OCS Region com-
17	pletely beyond 4 marine leagues from any
18	coastline and completely within 100 miles
19	of any coastline that are available for leas-
20	ing under the 2002–2007 5-Year Oil and
21	Gas Leasing Program in effect prior to the
22	date of the enactment of the Deep Ocean
23	Energy Resources Act of 2006.
24	"(ii) Lease tracts in production prior
25	to October 1, 2005, completely beyond 4

1	marine leagues from any coastline and
2	completely within 100 miles of any coast-
3	line located on portions of the OCS that
4	were not available for leasing under the
5	2002–2007 5-Year OCS Oil and Gas Leas-
6	ing Program in effect prior to the date of
7	the enactment of the Deep Ocean Energy
8	Resources Act of 2006.
9	"(iii) Lease tracts for which leases are
10	issued prior to October 1, 2005, located in
11	the Alaska OCS Region completely beyond
12	4 marine leagues from any coastline and
13	completely within 100 miles of the coast-
14	line.
15	"(B) The Secretary shall share the fol-
16	lowing percentages of OCS Receipts from the
17	leases described in subparagraph (A) derived
18	during the fiscal year indicated:
19	"(i) For fiscal year 2006, 4.6 percent.
20	"(ii) For fiscal year 2007, 5.95 per-
21	cent.
22	"(iii) For fiscal year 2008, 6.8 per-
23	cent.
24	"(iv) For fiscal year 2009, 7.65 per-
25	cent.

1	"(v) For fiscal year 2010, 10.20 per-
2	cent.
3	"(vi) For fiscal year 2011, 12.75 per-
4	cent.
5	"(vii) For fiscal year 2012, 15.30 per-
6	cent.
7	"(viii) For fiscal year 2013, 17.85
8	percent.
9	"(ix) For fiscal year 2014, 20.40 per-
10	cent.
11	"(x) For fiscal year 2015, 22.95 per-
12	cent.
13	"(xi) For fiscal year 2016, 25.50 per-
14	cent.
15	"(xii) For fiscal year 2017, 28.05 per-
16	cent.
17	"(xiii) For fiscal year 2018, 30.60
18	percent.
19	"(xiv) For fiscal year 2019, 33.15
20	percent.
21	"(xv) For fiscal year 2020, 35.70 per-
22	cent.
23	"(xvi) For fiscal year 2021, 38.25
24	percent.

1	"(xvii) For fiscal year 2022 and each
2	subsequent fiscal year, 42.50 percent.
3	"(C) The provisions of this paragraph shall
4	not apply to leases that could not have been
5	issued but for section 5(k) of this Act or section
6	6(2) of the Deep Ocean Energy Resources Act
7	of 2006.
8	"(3) Immediate receipts sharing.—Begin-
9	ning October 1, 2005, the Secretary shall share
10	42.50 percent of OCS Receipts derived from all
11	leases located completely beyond 4 marine leagues
12	from any coastline and completely within 100 miles
13	of any coastline not included within the provisions of
14	paragraph (2).
15	"(4) Receipts sharing from tracts within
16	4 MARINE LEAGUES OF ANY COASTLINE.—
17	"(A) AREAS DESCRIBED IN PARAGRAPH
18	(2).—
19	"(i) Beginning October 1, 2005, and
20	continuing through September 30, 2010,
21	the Secretary shall share 25 percent of
22	OCS Receipts derived from all leases lo-
23	cated within 4 marine leagues from any
24	coastline within areas described in para-
25	graph (2). For each fiscal year after Sep-

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tember 30, 2010, the Secretary shall increase the percent shared in 5 percent increments each fiscal year until the sharing rate for all leases located within 4 marine leagues from any coastline within areas described in paragraph (2) becomes 42.5 percent.

"(ii) During fiscal year 2016, the Secretary shall conduct an analysis of all of the areas described in paragraph (3) and subsection (c)(3) to determine the total of OCS Receipts derived from such areas during the period of fiscal year 2007 through fiscal year 2016. The Secretary shall subtract the amount of \$4 billion from the total of such OCS Receipts. If the result is a positive number, the Secretary shall divide such positive number by \$4 billion. The resulting quotient, not to exceed 0.5, shall then be multiplied times 25. The product of such multiplication shall be added to 42.5 and the sum shall be the percent that the Secretary shall share for fiscal year 2017 and all future years from OCS Receipts derived from all leases located within 4 marine leagues from any coastline within areas described in paragraph (2), unless increased by the provisions of (iii).

"(iii) Beginning October 1, 2017, the Secretary shall share, in addition to the share established by (i), as modified by (ii) if any, amounts determined as follows, with the total of the amounts shared under this paragraph not to exceed in any fiscal year an amount equal to 63.75 percent of total OCS Receipts derived from all leases located within 4 marine leagues from any coastline within areas described in paragraph (2)—25 percent of the total of OCS Receipts derived from areas described in paragraph (3) and subsection (c)(3) that exceed the following amounts for the fiscal year indicated: for fiscal year 2017 the amount of \$900,000,000 and for each fiscal year thereafter add \$100,000,000. Amounts added under this clause to be shared, if any, for any fiscal year shall be added to the sharing base for all subsequent years and shall be allocated among

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1	State Adjacent Zones on a basis propor-
2	tional to the result from the calculation in
3	clause (i).
4	"(B) Areas not described in para-
5	GRAPH (2).—Beginning October 1, 2005, the
6	Secretary shall share 63.75 percent of OCS re-
7	ceipts derived from all leases located completely
8	or partially within 4 marine leagues from any
9	coastline within areas not described paragraph
10	(2).
11	"(5) Allocations.—The Secretary shall allo-
12	cate the OCS Receipts deposited into the separate
13	account established by paragraph (1) that are
14	shared under paragraphs (2), (3), and (4) as follows:
15	"(A) Bonus Bids.—Deposits derived from
16	bonus bids from a leased tract, including inter-
17	est thereon, shall be allocated at the end of
18	each fiscal year to the Adjacent State.
19	"(B) ROYALTIES.—Deposits derived from
20	royalties from a leased tract, including interest
21	thereon, shall be allocated at the end of each
22	fiscal year to the Adjacent State and any other
23	producing State or States with a leased tract
24	within its Adjacent Zone within 100 miles of its

coastline that generated royalties during the fis-

1	cal year, if the other producing or States have
2	a coastline point within 300 miles of any por-
3	tion of the leased tract, in which case the
4	amount allocated for the leased tract shall be—
5	"(i) one-third to the Adjacent State;
6	and
7	"(ii) two-thirds to each producing
8	State, including the Adjacent State, in-
9	versely proportional to the distance be-
10	tween the nearest point on the coastline of
11	the producing State and the geographic
12	center of the leased tract.
13	"(c) Treatment of OCS Receipts From Tracts
14	PARTIALLY OR COMPLETELY BEYOND 100 MILES OF THE
15	COASTLINE.—
16	"(1) Deposit.—The Secretary shall deposit
17	into a separate account in the Treasury the portion
18	of OCS Receipts for each fiscal year that will be
19	shared under paragraphs (2) and (3).
20	"(2) Phased-in receipts sharing.—
21	"(A) Beginning October 1, 2005, the Sec-
22	retary shall share OCS Receipts derived from
23	the following areas:
24	"(i) Lease tracts located on portions
25	of the Gulf of Mexico OCS Region partially

1	or completely beyond 100 miles of any
2	coastline that were available for leasing
3	under the 2002–2007 5-Year Oil and Gas
4	Leasing Program in effect prior to the
5	date of enactment of the Deep Ocean En-
6	ergy Resources Act of 2006.
7	"(ii) Lease tracts in production prior
8	to October 1, 2005, partially or completely
9	beyond 100 miles of any coastline located
10	on portions of the OCS that were not
11	available for leasing under the 2002–2007
12	5-Year OCS Oil and Gas Leasing Program
13	in effect prior to the date of enactment of
14	the Deep Ocean Energy Resources Act of
15	2006.
16	"(iii) Lease tracts for which leases are
17	issued prior to October 1, 2005, located in
18	the Alaska OCS Region partially or com-
19	pletely beyond 100 miles of the coastline.
20	"(B) The Secretary shall share the fol-
21	lowing percentages of OCS Receipts from the
22	leases described in subparagraph (A) derived
23	during the fiscal year indicated:
24	"(i) For fiscal year 2006, 4.6 percent.

1	"(ii) For fiscal year 2007, 5.95 per-
2	cent.
3	"(iii) For fiscal year 2008, 6.80 per-
4	cent.
5	"(iv) For fiscal year 2009, 7.65 per-
6	cent.
7	"(v) For fiscal year 2010, 10.20 per-
8	cent .
9	"(vi) For fiscal year 2011, 12.75 per-
10	cent.
11	"(vii) For fiscal year 2012, 15.30 per-
12	cent.
13	"(viii) For fiscal year 2013, 17.85
14	percent.
15	"(ix) For fiscal year 2014, 20.40 per-
16	cent.
17	"(x) For fiscal year 2015, 22.95 per-
18	cent.
19	"(xi) For fiscal year 2016, 25.50 per-
20	cent .
21	"(xii) For fiscal year 2017, 28.05 per-
22	cent.
23	"(xiii) For fiscal year 2018, 30.60
24	percent.

1	"(xiv) For fiscal year 2019, 33.15
2	percent.
3	"(xv) For fiscal year 2020, 35.70 per-
4	cent.
5	"(xvi) For fiscal year 2021, 38.25
6	percent.
7	"(xvii) For fiscal year 2022 and each
8	subsequent fiscal year, 42.50 percent.
9	"(C) The provisions of this paragraph shall
10	not apply to leases that could not have been
11	issued but for section 5(k) of this Act or section
12	6(2) of the Deep Ocean Energy Resources Act
13	of 2006.
14	"(3) Immediate receipts sharing.—Begin-
15	ning October 1, 2005, the Secretary shall share 42.5
16	percent of OCS Receipts derived on and after Octo-
17	ber 1, 2005, from all leases located partially or com-
18	pletely beyond 100 miles of any coastline not in-
19	cluded within the provisions of paragraph (2), except
20	that the Secretary shall only share 25 percent of
21	such OCS Receipts derived from all such leases
22	within a State's Adjacent Zone if no leasing is al-
23	lowed within any portion of that State's Adjacent
24	Zone located completely within 100 miles of any
25	coastline.

1	"(4) Allocations.—The Secretary shall allo-
2	cate the OCS Receipts deposited into the separate
3	account established by paragraph (1) that are
4	shared under paragraphs (2) and (3) as follows:
5	"(A) Bonus Bids.—Deposits derived from
6	bonus bids from a leased tract, including inter-
7	est thereon, shall be allocated at the end of
8	each fiscal year to the Adjacent State.
9	"(B) ROYALTIES.—Deposits derived from
10	royalties from a leased tract, including interest
11	thereon, shall be allocated at the end of each
12	fiscal year to the Adjacent State and any other
13	producing State or States with a leased tract
14	within its Adjacent Zone partially or completely
15	beyond 100 miles of its coastline that generated
16	royalties during the fiscal year, if the other pro-
17	ducing State or States have a coastline point
18	within 300 miles of any portion of the leased
19	tract, in which case the amount allocated for
20	the leased tract shall be—
21	"(i) one-third to the Adjacent State;
22	and
23	"(ii) two-thirds to each producing
24	State, including the Adjacent State, in-
25	versely proportional to the distance be-

1	tween the nearest point on the coastline of
2	the producing State and the geographic
3	center of the leased tract.
4	"(d) Transmission of Allocations.—
5	"(1) In general.—Not later than 90 days
6	after the end of each fiscal year, the Secretary shall
7	transmit—
8	"(A) to each State 60 percent of such
9	State's allocations under subsections (b)(5)(A),
10	(b)(5)(B), (c)(4)(A), and (c)(4)(B) for the im-
11	mediate prior fiscal year;
12	"(B) to each coastal county-equivalent and
13	municipal political subdivisions of such State a
14	total of 40 percent of such State's allocations
15	under subsections $(b)(5)(A)$, $(b)(5)(B)$,
16	(c)(4)(A), and $(c)(4)(B)$, together with all ac-
17	crued interest thereon; and
18	"(C) the remaining allocations under sub-
19	sections (b)(5) and (c)(4), together with all ac-
20	crued interest thereon.
21	"(2) Allocations to coastal county-
22	EQUIVALENT POLITICAL SUBDIVISIONS.—The Sec-
23	retary shall make an initial allocation of the OCS
24	Receipts to be shared under paragraph (1)(B) as fol-
25	lowe

1 "(A) 25 percent shall be allocated to coast-2 al county-equivalent political subdivisions that 3 are completely more than 25 miles landward of 4 the coastline and at least a part of which lies not more than 75 miles landward from the 6 coastline, with the allocation among such coast-7 al county-equivalent political subdivisions based 8 on population. 9 "(B) 75 percent shall be allocated to coast-10 al county-equivalent political subdivisions that 11 are completely or partially less than 25 miles 12 landward of the coastline, with the allocation 13 among such coastal county-equivalent political 14 subdivisions to be further allocated as follows: 15 "(i) 25 percent shall be allocated 16 based on the ratio of such coastal county-17 equivalent political subdivision's population 18 to the coastal population of all coastal 19 county-equivalent political subdivisions in 20 the State. 21 "(ii) 25 percent shall be allocated 22 based on the ratio of such coastal county-23 equivalent political subdivision's coastline

miles to the coastline miles of all coastal

county-equivalent political subdivisions in

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the State as calculated by the Secretary.

In such calculations, coastal county-equivalent political subdivisions without a coast-line shall be considered to have 50 percent of the average coastline miles of the coast-al county-equivalent political subdivisions that do have coastlines.

"(iii) 25 percent shall be allocated to all coastal county-equivalent political subdivisions having a coastline point within 300 miles of the leased tract for which OCS Receipts are being shared based on a formula that allocates the funds based on such coastal county-equivalent political subdivision's relative distance from the leased tract.

"(iv) 25 percent shall be allocated to all coastal county-equivalent political sub-divisions having a coastline point within 300 miles of the leased tract for which OCS Receipts are being shared based on the relative level of outer Continental Shelf oil and gas activities in a coastal political subdivision compared to the level of outer Continental Shelf activities in all coastal

1 political subdivisions in the State. The Sec-2 retary shall define the term 'outer Conti-3 nental Shelf oil and gas activities' for purposes of this subparagraph to include, but not be limited to, construction of vessels, 6 drillships, and platforms involved in explo-7 ration, production, and development on the 8 outer Continental Shelf; support and sup-9 ply bases, ports, and related activities; of-10 fices of geologists, geophysicists, engineers, 11 and other professionals involved in support 12 of exploration, production, and develop-13 ment of oil and gas on the outer Conti-14 nental Shelf; pipelines and other means of 15 transporting oil and gas production from 16 the outer Continental Shelf; and processing 17 and refining of oil and gas production from 18 the outer Continental Shelf. For purposes 19 of this subparagraph, if a coastal county-20 equivalent political subdivision does not 21 have a coastline, its coastal point shall be 22 the point on the coastline closest to it. 23

"(3) Allocations to coastal municipal political subdivisions.—The initial allocation to each coastal county-equivalent political subdivision

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under paragraph (2) shall be further allocated to the coastal county-equivalent political subdivision and any coastal municipal political subdivisions located partially or wholly within the boundaries of the coastal county-equivalent political subdivision as follows:

- "(A) One-third shall be allocated to the coastal county-equivalent political subdivision.
 - "(B) Two-thirds shall be allocated on a per capita basis to the municipal political subdivisions and the county-equivalent political subdivision, with the allocation to the latter based upon its population not included within the boundaries of a municipal political subdivision.
- "(e) Investment of Deposits.—Amounts deposited under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account in which they are deposited and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.
- "(f) USE OF FUNDS.—A recipient of funds under thissection may use the funds for one or more of the following:
- "(1) To reduce in-State college tuition at public
 institutions of higher learning and otherwise support

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1	public education, including career technical edu-
2	cation.
3	"(2) To make transportation infrastructure im-
4	provements.
5	"(3) To reduce taxes.
6	"(4) To promote, fund, and provide for—
7	"(A) coastal or environmental restoration;
8	"(B) fish, wildlife, and marine life habitat
9	enhancement;
10	"(C) waterways construction and mainte-
11	nance;
12	"(D) levee construction and maintenance
13	and shore protection; and
14	"(E) marine and oceanographic education
15	and research.
16	"(5) To promote, fund, and provide for —
17	"(A) infrastructure associated with energy
18	production activities conducted on the outer
19	Continental Shelf;
20	"(B) energy demonstration projects;
21	"(C) supporting infrastructure for shore-
22	based energy projects;
23	"(D) State geologic programs, including
24	geologic mapping and data storage programs,
25	and state geophysical data acquisition;

1	"(E) State seismic monitoring programs,
2	including operation of monitoring stations;
3	"(F) development of oil and gas resources
4	through enhanced recovery techniques;
5	"(G) alternative energy development, in-
6	cluding bio fuels, coal-to-liquids, oil shale, tar
7	sands, geothermal, geopressure, wind, waves,
8	currents, hydro, and other renewable energy;
9	"(H) energy efficiency and conservation
10	programs; and
11	"(I) front-end engineering and design for
12	facilities that produce liquid fuels from hydro-
13	carbons and other biological matter.
14	"(6) To promote, fund, and provide for—
15	"(A) historic preservation programs and
16	projects;
17	"(B) natural disaster planning and re-
18	sponse; and
19	"(C) hurricane and natural disaster insur-
20	ance programs.
21	"(7) For any other purpose as determined by
22	State law.
23	"(g) No Accounting Required.—No recipient of
24	funds under this section shall be required to account to
25	the Federal Government for the expenditure of such

- 1 funds, except as otherwise may be required by law. How-
- 2 ever, States may enact legislation providing for accounting
- 3 for and auditing of such expenditures. Further, funds allo-
- 4 cated under this section to States and political subdivi-
- 5 sions may be used as matching funds for other Federal
- 6 programs.
- 7 "(h) Effect of Future Laws.—Enactment of any
- 8 future Federal statute that has the effect, as determined
- 9 by the Secretary, of restricting any Federal agency from
- 10 spending appropriated funds, or otherwise preventing it
- 11 from fulfilling its pre-existing responsibilities as of the
- 12 date of enactment of the statute, unless such responsibil-
- 13 ities have been reassigned to another Federal agency by
- 14 the statute with no prevention of performance, to issue
- 15 any permit or other approval impacting on the OCS oil
- 16 and gas leasing program, or any lease issued thereunder,
- 17 or to implement any provision of this Act shall automati-
- 18 cally prohibit any sharing of OCS Receipts under this sec-
- 19 tion directly with the States, and their coastal political
- 20 subdivisions, for the duration of the restriction. The Sec-
- 21 retary shall make the determination of the existence of
- 22 such restricting effects within 30 days of a petition by any
- 23 outer Continental Shelf lessee or producing State.
- 24 "(i) Definitions.—In this section:

- 1 "(1) Coastal county-equivalent political 2 SUBDIVISION.—The term 'coastal county-equivalent 3 political subdivision' means a political jurisdiction 4 immediately below the level of State government, in-5 cluding a county, parish, borough in Alaska, inde-6 pendent municipality not part of a county, parish, or borough in Alaska, or other equivalent subdivision of 7 8 a coastal State, that lies within the coastal zone.
 - "(2) Coastal municipal political subdivision.—The term 'coastal municipal political subdivision' means a municipality located within and part of a county, parish, borough in Alaska, or other equivalent subdivision of a State, all or part of which coastal municipal political subdivision lies within the coastal zone.
 - "(3) Coastal population.—The term 'coastal population' means the population of all coastal county-equivalent political subdivisions, as determined by the most recent official data of the Census Bureau.
 - "(4) Coastal zone.—The term 'coastal zone' means that portion of a coastal State, including the entire territory of any coastal county-equivalent political subdivision at least a part of which lies, within 75 miles landward from the coastline, or a greater

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- distance as determined by State law enacted to implement this section.
 "(5) Bonus Bids.—The term 'bonus bids'
- 3 "(5) Bonus bids.—The term 'bonus bids'
 4 means all funds received by the Secretary to issue
 5 an outer Continental Shelf minerals lease.
- 6 "(6) ROYALTIES.—The term 'royalties' means
 7 all funds received by the Secretary from production
 8 of oil or natural gas, or the sale of production taken
 9 in-kind, from an outer Continental Shelf minerals
 10 lease.
- 11 "(7) PRODUCING STATE.—The term 'producing 12 State' means an Adjacent State having an Adjacent 13 Zone containing leased tracts from which OCS Re-14 ceipts were derived.
- 15 "(8) OCS RECEIPTS.—The term 'OCS Receipts'
 16 means bonus bids, royalties, and conservation of re17 sources fees.".

18 SEC. 8. RESERVATION OF LANDS AND RIGHTS.

- 19 Section 12 of the Outer Continental Shelf Lands Act
- 20 (43 U.S.C. 1341) is amended—
- 21 (1) in subsection (a) by adding at the end the
- following: "The President may partially or com-
- 23 pletely revise or revoke any prior withdrawal made
- by the President under the authority of this section.
- The President may not revise or revoke a withdrawal

1 that is extended by a State under subsection (h), nor 2 may the President withdraw from leasing any area 3 for which a State failed to prohibit, or petition to prohibit, leasing under subsection (g). Further, in 5 the area of the outer Continental Shelf more than 6 100 miles from any coastline, not more than 25 per-7 cent of the acreage of any OCS Planning Area may 8 be withdrawn from leasing under this section at any 9 point in time. A withdrawal by the President may be 10 for a term not to exceed 10 years. When considering 11 potential uses of the outer Continental Shelf, to the 12 maximum extent possible, the President shall accom-13 modate competing interests and potential uses."; 14 (2) by adding at the end the following: 15 "(g) Availability for Leasing Within Certain AREAS OF THE OUTER CONTINENTAL SHELF.— 16 17 "(1) Prohibition against leasing.— 18 "(A) Unavailable for leasing with-19 OUT STATE REQUEST.—Except as otherwise 20 provided in this subsection, from and after en-21 actment of the Deep Ocean Energy Resources 22 Act of 2006, the Secretary shall not offer for

leasing for oil and gas, or natural gas, any area

within 50 miles of the coastline that was with-

drawn from disposition by leasing in the Atlan-

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tic OCS Region or the Pacific OCS Region, or the Gulf of Mexico OCS Region Eastern Planning Area, as depicted on the maps referred to in this subparagraph, under the 'Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. Pres. Doc. 1111, dated June 12, 1998, or any area within 50 miles of the coastline not withdrawn under that Memorandum that is included within the Gulf of Mexico OCS Region Eastern Planning Area as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' or the Florida Straits Planning Area as indicated on the map entitled 'Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', both of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service.

"(B) Areas between 50 and 100 miles from the coastline.—Unless an Adjacent State petitions under subsection (h) within one year after the date of the enactment of the Deep Ocean Energy Resources Act of 2006 for natural gas leasing or by June 30, 2009, for oil

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and gas leasing, the Secretary shall offer for leasing any area more than 50 miles but less than 100 miles from the coastline that was withdrawn from disposition by leasing in the Atlantic OCS Region, the Pacific OCS Region, or the Gulf of Mexico OCS Region Eastern Planning Area, as depicted on the maps referred to in this subparagraph, under the 'Memorandum on Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. Pres. Doc. 1111, dated June 12, 1998, or any area more than 50 miles but less than 100 miles of the coastline not withdrawn under that Memorandum that is included within the Gulf of Mexico OCS Region Eastern Planning Area as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' or within the Florida Straits Planning Area as indicated on the map entitled 'Atlantic OCS Region State Adjacent Zones and OCS Planning Areas', both of which are dated September 2005 and on file in the Office of the Director, Minerals Management Service.

1 "(2) Revocation of withdrawal.—The pro-2 visions of the 'Memorandum on Withdrawal of Cer-3 tain Areas of the United States Outer Continental Shelf from Leasing Disposition', 34 Weekly Comp. 5 Pres. Doc. 1111, dated June 12, 1998, are hereby 6 revoked and are no longer in effect. The 2002–2007 7 5-Year Outer Continental Shelf Oil and Gas Leasing 8 Program is hereby amended to include the areas 9 added to the Gulf of Mexico OCS Region Central 10 Planning Area by this Act to the extent that such 11 areas were included within the original boundaries of 12 proposed Lease Sale 181. The amendment to such 13 leasing program includes a sale in such additional 14 areas, which shall be held no later than April 30, 15 2007. The Final Environmental Impact Statement 16 prepared for this area for Lease Sale 181 shall be 17 deemed sufficient for all purposes for each lease sale 18 in which such area is offered for lease during the 19 2002–2007 5-Year Outer Continental Shelf Oil and 20 Gas Leasing Program without need for supplemen-21 tation. Any tract only partially added to the Gulf of 22 Mexico OCS Region Central Planning Area by this 23 Act shall be eligible for leasing of the part of such 24 tract that is included within the Gulf of Mexico OCS 25 Region Central Planning Area, and the remainder of

such tract that lies outside of the Gulf of Mexico OCS Region Central Planning Area may be developed and produced by the lessee of such partial tract using extended reach or similar drilling from a location on a leased area. Further, any area in the OCS withdrawn from leasing may be leased, and thereafter developed and produced by the lessee using extended reach or similar drilling from a location on a leased area located in an area available for leasing.

"(3) Petition for leasing.—

"(A) IN GENERAL.—The Governor of the State, upon concurrence of its legislature, may submit to the Secretary a petition requesting that the Secretary make available any area that is within the State's Adjacent Zone, included within the provisions of paragraph (1), and that (i) is greater than 25 miles from any point on the coastline of a Neighboring State for the conduct of offshore leasing, pre-leasing, and related activities with respect to natural gas leasing; or (ii) is greater than 50 miles from any point on the coastline of a Neighboring State for the conduct of offshore leasing, pre-leasing, and related activities with respect to oil and gas leasing. The Adjacent State may also petition

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for leasing any other area within its Adjacent Zone if leasing is allowed in the similar area of the Adjacent Zone of the applicable Neighboring State, or if not allowed, if the Neighboring State, acting through its Governor, expresses its concurrence with the petition. The Secretary shall only consider such a petition upon making a finding that leasing is allowed in the similar area of the Adjacent Zone of the applicable Neighboring State or upon receipt of the concurrence of the Neighboring State. The date of receipt by the Secretary of such concurrence by the Neighboring State shall constitute the date of receipt of the petition for that area for which the concurrence applies. Except for any area described in the last sentence of paragraph (2), a petition for leasing any part of the Alabama Adjacent Zone that is a part of the Gulf of Mexico Eastern Planning Area, as indicated on the map entitled 'Gulf of Mexico OCS Region State Adjacent Zones and OCS Planning Areas' which is dated September 2005 and on file in the Office of the Director, Minerals Management Service, shall require the concurrence of both Alabama and Florida.

1	"(B) Limitations on leasing.—In its
2	petition, a State with an Adjacent Zone that
3	contains leased tracts may condition new leas-
4	ing for oil and gas, or natural gas for tracts
5	within 25 miles of the coastline by—
6	"(i) requiring a net reduction in the
7	number of production platforms;
8	"(ii) requiring a net increase in the
9	average distance of production platforms
10	from the coastline;
11	"(iii) limiting permanent surface occu-
12	pancy on new leases to areas that are more
13	than 10 miles from the coastline;
14	"(iv) limiting some tracts to being
15	produced from shore or from platforms lo-
16	cated on other tracts; or
17	"(v) other conditions that the Adja-
18	cent State may deem appropriate as long
19	as the Secretary does not determine that
20	production is made economically or tech-
21	nically impracticable or otherwise impos-
22	sible.
23	"(C) ACTION BY SECRETARY.—Not later
24	than 90 days after receipt of a petition under
25	subparagraph (A), the Secretary shall approve

the petition, unless the Secretary determines that leasing the area would probably cause serious harm or damage to the marine resources of the State's Adjacent Zone. Prior to approving the petition, the Secretary shall complete an environmental assessment that documents the anticipated environmental effects of leasing in the area included within the scope of the petition.

"(D) Failure to act.—If the Secretary fails to approve or deny a petition in accordance with subparagraph (C) the petition shall be considered to be approved 90 days after receipt of the petition.

"(E) AMENDMENT OF THE 5-YEAR LEASING PROGRAM.—Notwithstanding section 18, within 180 days of the approval of a petition under subparagraph (C) or (D), after the expiration of the time limits in paragraph (1)(B), and within 180 days after the enactment of the Deep Ocean Energy Resources Act of 2006 for the areas made available for leasing under paragraph (2), the Secretary shall amend the current 5-Year Outer Continental Shelf Oil and Gas Leasing Program to include a lease sale or sales for at least 75 percent of the associated

areas, unless there are, from the date of ap-1 2 proval, expiration of such time limits, or enact-3 ment, as applicable, fewer than 12 months re-4 maining in the current 5-Year Leasing Program in which case the Secretary shall include the as-6 sociated areas within lease sales under the next 7 5-Year Leasing Program. For purposes of 8 amending the 5-Year Program in accordance 9 with this section, further consultations with 10 States shall not be required. For purposes of 11 this section, an environmental assessment per-12 formed under the provisions of the National 13 Environmental Policy Act of 1969 to assess the 14 effects of approving the petition shall be suffi-15 cient to amend the 5-Year Leasing Program. "(h) OPTION TO EXTEND WITHDRAWAL FROM LEAS-16 ING WITHIN CERTAIN AREAS OF THE OUTER CONTI-NENTAL SHELF.—A State, through its Governor and upon the concurrence of its legislature, may extend for a period of time of up to 5 years for each extension the withdrawal

NENTAL SHELF.—A State, through its Governor and upon the concurrence of its legislature, may extend for a period of time of up to 5 years for each extension the withdrawal from leasing for all or part of any area within the State's Adjacent Zone located more than 50 miles, but less than 100 miles, from the coastline that is subject to subsection (g)(1)(B). A State may extend multiple times for any particular area but not more than once per calendar year for

- 1 any particular area. A State must prepare separate exten-
- 2 sions, with separate votes by its legislature, for oil and
- 3 gas leasing and for natural gas leasing. An extension by
- 4 a State may affect some areas to be withdrawn from all
- 5 leasing and some areas to be withdrawn only from one
- 6 type of leasing. Extensions of the withdrawal from leasing
- 7 of any part of the Alabama Adjacent Zone that is more
- 8 than 50 miles, but less than 100 miles, from the coastline
- 9 that is a part of the Gulf of Mexico OCS Region Eastern
- 10 Planning Area, as indicated on the map entitled 'Gulf of
- 11 Mexico OCS Region State Adjacent Zones and OCS Plan-
- 12 ning Areas' which is dated September 2005 and on file
- 13 in the Office of the Director, Minerals Management Serv-
- 14 ice, may be made by either Alabama or Florida.
- 15 "(i) Effect of Other Laws.—Adoption by any
- 16 Adjacent State of any constitutional provision, or enact-
- 17 ment of any State statute, that has the effect, as deter-
- 18 mined by the Secretary, of restricting either the Governor
- 19 or the Legislature, or both, from exercising full discretion
- 20 related to subsection (g) or (h), or both, shall automati-
- 21 cally (1) prohibit any sharing of OCS Receipts under this
- 22 Act with the Adjacent State, and its coastal political sub-
- 23 divisions, and (2) prohibit the Adjacent State from exer-
- 24 cising any authority under subsection (h), for the duration
- 25 of the restriction. The Secretary shall make the determina-

- 1 tion of the existence of such restricting constitutional pro-
- 2 vision or State statute within 30 days of a petition by any
- 3 outer Continental Shelf lessee or coastal State.
- 4 "(j) Prohibition on Leasing East of the Mili-
- 5 TARY MISSION LINE.—
- 6 "(1) Notwithstanding any other provision of
- 7 law, from and after the enactment of the Deep
- 8 Ocean Energy Resources Act of 2006, no area of the
- 9 outer Continental Shelf located in the Gulf of Mexico
- east of the military mission line may be offered for
- leasing for oil and gas or natural gas.
- 12 "(2) In this subsection, the term 'military mis-
- sion line' means a line located at 86 degrees,
- 14 41minutes West Longitude, and extending south
- from the coast of Florida to the outer boundary of
- 16 United States territorial waters in the Gulf of Mex-
- 17 ico.".
- 18 SEC. 9. OUTER CONTINENTAL SHELF LEASING PROGRAM.
- 19 Section 18 of the Outer Continental Shelf Lands Act
- 20 (43 U.S.C. 1344) is amended—
- 21 (1) in subsection (a), by adding at the end of
- paragraph (3) the following: "The Secretary shall, in
- each 5-year program, include lease sales that when
- viewed as a whole propose to offer for oil and gas
- or natural gas leasing at least 75 percent of the

available unleased acreage within each OCS Planning Area. Available unleased acreage is that portion of the outer Continental Shelf that is not under lease at the time of the proposed lease sale, and has

5 not otherwise been made unavailable for leasing by

6 law.";

7 (2) in subsection (c), by striking so much as 8 precedes paragraph (3) and inserting the following: 9 "(c)(1) During the preparation of any proposed leas-10 ing program under this section, the Secretary shall consider and analyze leasing throughout the entire Outer 12 Continental Shelf without regard to any other law affecting such leasing. During this preparation the Secretary shall invite and consider suggestions from any interested 14 15 Federal agency, including the Attorney General, in consultation with the Federal Trade Commission, and from 16 the Governor of any coastal State. The Secretary may also invite or consider any suggestions from the executive of 18 19 any local government in a coastal State that have been previously submitted to the Governor of such State, and

from any other person. Further, the Secretary shall con-

sult with the Secretary of Defense regarding military oper-

ational needs in the outer Continental Shelf. The Sec-

retary shall work with the Secretary of Defense to resolve

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- 1 of the outer Continental Shelf for oil and gas or natural
- 2 gas leasing. If the Secretaries are not able to resolve all
- 3 such conflicts, any unresolved issues shall be elevated to
- 4 the President for resolution.
- 5 "(2) After the consideration and analysis required by
- 6 paragraph (1), including the consideration of the sugges-
- 7 tions received from any interested Federal agency, the
- 8 Federal Trade Commission, the Governor of any coastal
- 9 State, any local government of a coastal State, and any
- 10 other person, the Secretary shall publish in the Federal
- 11 Register a proposed leasing program accompanied by a
- 12 draft environmental impact statement prepared pursuant
- 13 to the National Environmental Policy Act of 1969. After
- 14 the publishing of the proposed leasing program and during
- 15 the comment period provided for on the draft environ-
- 16 mental impact statement, the Secretary shall submit a
- 17 copy of the proposed program to the Governor of each af-
- 18 fected State for review and comment. The Governor may
- 19 solicit comments from those executives of local govern-
- 20 ments in the Governor's State that the Governor, in the
- 21 discretion of the Governor, determines will be affected by
- 22 the proposed program. If any comment by such Governor
- 23 is received by the Secretary at least 15 days prior to sub-
- 24 mission to the Congress pursuant to paragraph (3) and
- 25 includes a request for any modification of such proposed

- 1 program, the Secretary shall reply in writing, granting or
- 2 denying such request in whole or in part, or granting such
- 3 request in such modified form as the Secretary considers
- 4 appropriate, and stating the Secretary's reasons therefor.
- 5 All such correspondence between the Secretary and the
- 6 Governor of any affected State, together with any addi-
- 7 tional information and data relating thereto, shall accom-
- 8 pany such proposed program when it is submitted to the
- 9 Congress."; and
- 10 (3) by adding at the end the following:
- 11 "(i) Projection of State Adjacent Zone Re-
- 12 SOURCES AND STATE AND LOCAL GOVERNMENT SHARES
- 13 OF OCS RECEIPTS.—Concurrent with the publication of
- 14 the scoping notice at the beginning of the development of
- 15 each 5-year outer Continental Shelf oil and gas leasing
- 16 program, or as soon thereafter as possible, the Secretary
- 17 shall—
- 18 "(1) provide to each Adjacent State a current
- estimate of proven and potential oil and gas re-
- sources located within the State's Adjacent Zone;
- 21 and
- 22 "(2) provide to each Adjacent State, and coast-
- al political subdivisions thereof, a best-efforts projec-
- 24 tion of the OCS Receipts that the Secretary expects
- will be shared with each Adjacent State, and its

- 1 coastal political subdivisions, using the assumption
- 2 that the unleased tracts within the State's Adjacent
- 3 Zone are fully made available for leasing, including
- 4 long-term projected OCS Receipts. In addition, the
- 5 Secretary shall include a macroeconomic estimate of
- 6 the impact of such leasing on the national economy
- 7 and each State's economy, including investment,
- 8 jobs, revenues, personal income, and other cat-
- 9 egories.".

10 SEC. 10. COORDINATION WITH ADJACENT STATES.

- 11 Section 19 of the Outer Continental Shelf Lands Act
- 12 (43 U.S.C. 1345) is amended—
- (1) in subsection (a) in the first sentence by in-
- serting ", for any tract located within the Adjacent
- 15 State's Adjacent Zone," after "government"; and
- 16 (2) by adding the following:
- (f)(1) No Federal agency may permit or otherwise
- 18 approve, without the concurrence of the Adjacent State,
- 19 the construction of a crude oil or petroleum products (or
- 20 both) pipeline within the part of the Adjacent State's Ad-
- 21 jacent Zone that is withdrawn from oil and gas or natural
- 22 gas leasing, except that such a pipeline may be approved,
- 23 without such Adjacent State's concurrence, to pass
- 24 through such Adjacent Zone if at least 50 percent of the
- 25 production projected to be carried by the pipeline within

- 1 its first 10 years of operation is from areas of the Adja-
- 2 cent State's Adjacent Zone.
- 3 "(2) No State may prohibit the construction within
- 4 its Adjacent Zone or its State waters of a natural gas pipe-
- 5 line that will transport natural gas produced from the
- 6 outer Continental Shelf. However, an Adjacent State may
- 7 prevent a proposed natural gas pipeline landing location
- 8 if it proposes two alternate landing locations in the Adja-
- 9 cent State, acceptable to the Adjacent State, located with-
- 10 in 50 miles on either side of the proposed landing loca-
- 11 tion.".
- 12 SEC. 11. ENVIRONMENTAL STUDIES.
- 13 Section 20(d) of the Outer Continental Shelf Lands
- 14 Act (43 U.S.C. 1346) is amended—
- 15 (1) by inserting "(1)" after "(d)"; and
- 16 (2) by adding at the end the following:
- 17 "(2) For all programs, lease sales, leases, and actions
- 18 under this Act, the following shall apply regarding the ap-
- 19 plication of the National Environmental Policy Act of
- 20 1969:
- 21 "(A) Granting or directing lease suspensions
- and the conduct of all preliminary activities on outer
- 23 Continental Shelf tracts, including seismic activities,
- are categorically excluded from the need to prepare
- either an environmental assessment or an environ-

- mental impact statement, and the Secretary shall not be required to analyze whether any exceptions to a categorical exclusion apply for activities conducted under the authority of this Act.
 - "(B) The environmental impact statement developed in support of each 5-year oil and gas leasing program provides the environmental analysis for all lease sales to be conducted under the program and such sales shall not be subject to further environmental analysis.
 - "(C) Exploration plans shall not be subject to any requirement to prepare an environmental impact statement, and the Secretary may find that exploration plans are eligible for categorical exclusion due to the impacts already being considered within an environmental impact statement or due to mitigation measures included within the plan.
 - "(D) Within each OCS Planning Area, after the preparation of the first development and production plan environmental impact statement for a leased tract within the Area, future development and production plans for leased tracts within the Area shall only require the preparation of an environmental assessment unless the most recent development and production plan environmental impact statement

within the Area was finalized more than 10 years prior to the date of the approval of the plan, in which case an environmental impact statement shall be required.".

5 SEC. 13. FEDERAL ENERGY NATURAL RESOURCES EN-6 HANCEMENT ACT OF 2006.

- (a) FINDINGS.—The Congress finds the following:
 - (1) Energy and minerals exploration, development, and production on Federal onshore and offshore lands, including bio-based fuel, natural gas, minerals, oil, geothermal, and power from wind, waves, currents, and thermal energy, involves significant outlays of funds by Federal and State wildlife, fish, and natural resource management agencies for environmental studies, planning, development, monitoring, and management of wildlife, fish, air, water, and other natural resources.
 - (2) State wildlife, fish, and natural resource management agencies are funded primarily through permit and license fees paid to the States by the general public to hunt and fish, and through Federal excise taxes on equipment used for these activities.
 - (3) Funds generated from consumptive and recreational uses of wildlife, fish, and other natural resources currently are inadequate to address the nat-

- ural resources related to energy and minerals devel opment on Federal onshore and offshore lands.
 - (4) Funds available to Federal agencies responsible for managing Federal onshore and offshore lands and Federal-trust wildlife and fish species and their habitats are inadequate to address the natural resources related to energy and minerals development on Federal onshore and offshore lands.
 - (5) Receipts derived from sales, bonus bids, and royalties under the mineral leasing laws of the United States are paid to the Treasury through the Minerals Management Service of the Department of the Interior.
 - (6) None of the receipts derived from sales, bonus bids, and royalties under the minerals leasing laws of the United States are paid to the Federal or State agencies to examine, monitor, and manage wildlife, fish, air, water, and other natural resources related to natural gas, oil, and mineral exploration and development.
 - (b) Purposes.—It is the purpose of this section to—
 - (1) authorize expenditures for the monitoring and management of wildlife and fish, and their habitats, and air, water, and other natural resources re-

- lated to energy and minerals development on Fed eral onshore and offshore lands;
 - (2) authorize expenditures for each fiscal year to the Secretary of the Interior and the States; and
 - (3) use the appropriated funds to secure the necessary trained workforce or contractual services to conduct environmental studies, planning, development, monitoring, and post-development management of wildlife and fish and their habitats and air, water, and other natural resources that may be related to bio-based fuel, gas, mineral, oil, wind, or other energy exploration, development, transportation, transmission, and associated activities on Federal onshore and offshore lands, including, but not limited to—
 - (A) pertinent research, surveys, and environmental analyses conducted to identify any impacts on wildlife, fish, air, water, and other natural resources from energy and mineral exploration, development, production, and transportation or transmission;
 - (B) projects to maintain, improve, or enhance wildlife and fish populations and their habitats or air, water, or other natural re-

1	sources, including activities under the Endan-
2	gered Species Act of 1973;
3	(C) research, surveys, environmental anal-
4	yses, and projects that assist in managing, in
5	cluding mitigating either onsite or offsite, or
6	both, the impacts of energy and mineral activi-
7	ties on wildlife, fish, air, water, and other nat
8	ural resources; and
9	(D) projects to teach young people to live
10	off the land.
11	(c) Definitions.—In this section:
12	(1) Enhancement program.—The term "En-
13	hancement Program" means the Federal Energy
14	Natural Resources Enhancement Program estab
15	lished by this section.
16	(2) STATE.—The term "State" means the Gov
17	ernor of the State.
18	(d) AUTHORIZATION OF APPROPRIATIONS.—There is
19	authorized to be appropriated to carry out the Enhance
20	ment Program \$150,000,000 for each of fiscal years 2007
21	through 2017.
22	(e) Establishment of Federal Energy Nat-
23	URAL RESOURCES ENHANCEMENT PROGRAM —

- 1 (1) IN GENERAL.—There is established the 2 Federal Energy Natural Resources Enhancement 3 Program.
 - (2) Payment to secretary of the interior.—Beginning with fiscal year 2007, and in each fiscal year thereafter, one-third of amounts appropriated for the Enhancement Program shall be available to the Secretary of the Interior for use for the purposes described in subsection (b)(3).

(3) Payment to states.—

- (A) IN GENERAL.—Beginning with fiscal year 2007, and in each fiscal year thereafter, two-thirds of amounts appropriated for the Enhancement Program shall be available to the States for use for the purposes described in (b)(3).
- (B) USE OF PAYMENTS BY STATE.—Each State shall use the payments made under this paragraph only for carrying out projects and programs for the purposes described in (b)(3).
- (C) Encourage use of private funds BY STATE.—Each State shall use the payments made under this paragraph to leverage private funds for carrying out projects for the purposes described in (b)(3).

1 (f) Limitation on Use.—Amounts made available 2 under this section may not be used for the purchase of 3 any interest in land. 4 (g) Reports to Congress.— (1) In General.—Beginning in fiscal year 6 2008 and continuing for each fiscal year thereafter, 7 the Secretary of the Interior and each State receiv-8 ing funds from the Enhancement Fund shall submit 9 a report to the Committee on Energy and Natural 10 Resources of the Senate and the Committee on Re-11 sources of the House of Representatives. 12 REQUIRED INFORMATION.—Reports sub-13 mitted to the Congress by the Secretary of the Inte-14 rior and States under this subsection shall include 15 the following information regarding expenditures 16 during the previous fiscal year: 17 (A) A summary of pertinent scientific re-18 search and surveys conducted to identify im-19 pacts on wildlife, fish, and other natural re-20 sources from energy and mineral developments. (B) A summary of projects planned and 21 22 completed to maintain, improve or enhance

wildlife and fish populations and their habitats

or other natural resources.

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1	(C) A list of additional actions that assist,
2	or would assist, in managing, including miti-
3	gating either onsite or offsite, or both, the im-
4	pacts of energy and mineral development on
5	wildlife, fish, and other natural resources.
6	(D) A summary of private (non-Federal)
7	funds used to plan, conduct, and complete the
8	plans and programs identified in paragraphs
9	(2)(A) and $(2)(B)$.
10	SEC. 14. TERMINATION OF EFFECT OF LAWS PROHIBITING
11	THE SPENDING OF APPROPRIATED FUNDS
12	FOR CERTAIN PURPOSES.
13	All provisions of existing Federal law prohibiting the
14	spending of appropriated funds to conduct oil and natural
15	gas leasing and preleasing activities, or to issue a lease
16	to any person, for any area of the outer Continental Shelf
17	shall have no force or effect.
18	SEC. 15. OUTER CONTINENTAL SHELF INCOMPATIBLE USE.
19	(a) In General.—No Federal agency may permit
20	construction or operation (or both) of any facility, or des-
21	ignate or maintain a restricted transportation corridor or
22	
	operating area on the Federal outer Continental Shelf or
23	operating area on the Federal outer Continental Shelf or in State waters, that will be incompatible with, as deter-

ural gas leasing and substantially full exploration and pro-

- 1 duction of tracts that are geologically prospective for oil
- 2 or natural gas (or both).
- 3 (b) Exceptions.—Subsection (a) shall not apply to
- 4 any facility, transportation corridor, or operating area the
- 5 construction, operation, designation, or maintenance of
- 6 which is or will be—
- 7 (1) located in an area of the outer Continental
- 8 Shelf that is unavailable for oil and gas or natural
- 9 gas leasing by operation of law;
- 10 (2) used for a military readiness activity (as de-
- 11 fined in section 315(f) of Public Law 107–314; 16
- 12 U.S.C. 703 note); or
- 13 (3) required in the national interest, as deter-
- mined by the President.

15 SEC. 16. REPURCHASE OF CERTAIN LEASES.

- 16 (a) Authority to Repurchase and Cancel Cer-
- 17 TAIN LEASES.—The Secretary of the Interior shall repur-
- 18 chase and cancel any Federal oil and gas, geothermal,
- 19 coal, oil shale, tar sands, or other mineral lease, whether
- 20 onshore or offshore, but not including any outer Conti-
- 21 nental Shelf oil and gas leases that are subject to litigation
- 22 in the Court of Federal Claims on January 1, 2006, if
- 23 the Secretary finds that such lease qualifies for repurchase
- 24 and cancellation under the regulations authorized by this
- 25 section.

1	(b) REGULATIONS.—Not later than 365 days after
2	the date of the enactment of this Act, the Secretary shall
3	publish a final regulation stating the conditions under
4	which a lease referred to in subsection (a) would qualify
5	for repurchase and cancellation, and the process to be fol-
6	lowed regarding repurchase and cancellation. Such regula-
7	tion shall include, but not be limited to, the following:
8	(1) The Secretary shall repurchase and cancel
9	a lease after written request by the lessee upon a
10	finding by the Secretary that—
11	(A) a request by the lessee for a required
12	permit or other approval complied with applica-
13	ble law, except the Coastal Zone Management
14	Act of 1972 (16 U.S.C. 1451 et seq.), and
15	terms of the lease and such permit or other ap-
16	proval was denied;
17	(B) a Federal agency failed to act on a re-
18	quest by the lessee for a required permit, other
19	approval, or administrative appeal within a reg-
20	ulatory or statutory time-frame associated with
21	the requested action, whether advisory or man-
22	datory, or if none, within 180 days; or
23	(C) a Federal agency attached a condition
24	of approval, without agreement by the lessee, to
25	a required permit or other approval if such con-

- dition of approval was not mandated by Federal
 statute or regulation in effect on the date of
 lease issuance, or was not specifically allowed
 under the terms of the lease.
 - (2) A lessee shall not be required to exhaust administrative remedies regarding a permit request, administrative appeal, or other required request for approval for the purposes of this section.
 - (3) The Secretary shall make a final agency decision on a request by a lessee under this section within 180 days of request.
 - (4) Compensation to a lessee to repurchase and cancel a lease under this section shall be the amount that a lessee would receive in a restitution case for a material breach of contract.
 - (5) Compensation shall be in the form of a check or electronic transfer from the Department of the Treasury from funds deposited into miscellaneous receipts under the authority of the same Act that authorized the issuance of the lease being repurchased.
 - (6) Failure of the Secretary to make a final agency decision on a request by a lessee under this section within 180 days of request shall result in a

- 1 10 percent increase in the compensation due to the
- 2 lessee if the lease is ultimately repurchased.
- 3 (c) NO PREJUDICE.—This section shall not be inter-
- 4 preted to prejudice any other rights that the lessee would
- 5 have in the absence of this section.

6 SEC. 17. OFFSITE ENVIRONMENTAL MITIGATION.

- 7 Notwithstanding any other provision of law, any per-
- 8 son conducting activities under the Mineral Leasing Act
- 9 (30 U.S.C. 181 et seq.), the Geothermal Steam Act (30
- 10 U.S.C. 1001 et seq.), the Mineral Leasing Act for Ac-
- 11 quired Lands (30 U.S.C. 351 et seq.), the Weeks Act (16
- 12 U.S.C. 552 et seq.), the General Mining Act of 1872 (30
- 13 U.S.C. 22 et seq.), the Materials Act of 1947 (30 U.S.C.
- 14 601 et seq.), or the Outer Continental Shelf Lands Act
- 15 (43 U.S.C. 1331 et seq.), may in satisfying any mitigation
- 16 requirements associated with such activities propose miti-
- 17 gation measures on a site away from the area impacted
- 18 and the Secretary of the Interior shall accept these pro-
- 19 posed measures if the Secretary finds that they generally
- 20 achieve the purposes for which mitigation measures apper-
- 21 tained.

22 SEC. 18. MINERALS MANAGEMENT SERVICE.

- The bureau known as the "Minerals Management
- 24 Service" in the Department of the Interior shall be known
- 25 as the "National Ocean Resources and Royalty Service".

1	SEC. 19. AUTHORITY TO USE DECOMMISSIONED OFFSHORE
2	OIL AND GAS PLATFORMS AND OTHER FA-
3	CILITIES FOR ARTIFICIAL REEF, SCIENTIFIC
4	RESEARCH, OR OTHER USES.
5	(a) Short Title.—This section may be cited as the
6	"Rigs to Reefs Act of 2006".
7	(b) In General.—The Outer Continental Shelf
8	Lands Act (43 U.S.C. 1301 et seq.) is amended by insert-
9	ing after section 9 the following:
10	"SEC. 10. USE OF DECOMMISSIONED OFFSHORE OIL AND
11	GAS PLATFORMS AND OTHER FACILITIES
12	FOR ARTIFICIAL REEF, SCIENTIFIC RE-
13	SEARCH, OR OTHER USES.
14	"(a) In General.—The Secretary shall issue regula-
15	tions under which the Secretary may authorize use of an
16	offshore oil and gas platform or other facility that is de-
17	commissioned from service for oil and gas purposes for
18	an artificial reef, scientific research, or any other use au-
19	thorized under section 8(p) or any other applicable Fed-
20	eral law.
21	"(b) Transfer Requirements.—The Secretary
22	shall not allow the transfer of a decommissioned offshore
23	oil and gas platform or other facility to another person
24	unless the Secretary is satisfied that the transferee is suf-
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	ficiently bonded, endowed, or otherwise financially able to

- 1 "(1) ongoing maintenance of the platform or 2 other facility;
- 3 "(2) any liability obligations that might arise;
- 4 "(3) removal of the platform or other facility if 5 determined necessary by the Secretary; and
- 6 "(4) any other requirements and obligations 7 that the Secretary may deem appropriate by regula-
- 9 "(c) Plugging and Abandonment.—The Sec-10 retary shall ensure that plugging and abandonment of 11 wells is accomplished at an appropriate time.
- 12 "(d) POTENTIAL TO PETITION TO OPT-OUT OF REG-
- 13 ULATIONS.—An Adjacent State acting through a resolu-
- 14 tion of its legislature, with concurrence of its Governor,
- 15 may preliminarily petition to opt-out of the application of
- 16 regulations promulgated under this section to platforms
- 17 and other facilities located in the area of its Adjacent Zone
- 18 within 12 miles of the coastline. Upon receipt of the pre-
- 19 liminary petition, the Secretary shall complete an environ-
- 20 mental assessment that documents the anticipated envi-
- 21 ronmental effects of approving the petition. The Secretary
- 22 shall provide the environmental assessment to the State,
- 23 which then has the choice of no action or confirming its
- 24 petition by further action of its legislature, with the con-
- 25 currence of its Governor. The Secretary is authorized to

tion.

- 1 except such area from the application of such regulations,
- 2 and shall approve any confirmed petition.
- 3 "(e) Limitation on Liability.—A person that had
- 4 used an offshore oil and gas platform or other facility for
- 5 oil and gas purposes and that no longer has any ownership
- 6 or control of the platform or other facility shall not be
- 7 liable under Federal law for any costs or damages arising
- 8 from such platform or other facility after the date the plat-
- 9 form or other facility is used for any purpose under sub-
- 10 section (a), unless such costs or damages arise from—
- "(1) use of the platform or other facility by the
- person for development or production of oil or gas;
- 13 or
- "(2) another act or omission of the person.
- 15 "(f) OTHER LEASING AND USE NOT AFFECTED.—
- 16 This section, and the use of any offshore oil and gas plat-
- 17 form or other facility for any purpose under subsection
- 18 (a), shall not affect—
- "(1) the authority of the Secretary to lease any
- area under this Act; or
- 21 "(2) any activity otherwise authorized under
- this Act.".
- 23 (c) Deadline for Regulations.—The Secretary of
- 24 the Interior shall issue regulations under subsection (b)

- 1 by not later than 180 days after the date of the enactment
- 2 of this Act.
- 3 (d) Study and Report on Effects of Removal
- 4 OF PLATFORMS.—Not later than one year after the date
- 5 of enactment of this Act, the Secretary of the Interior,
- 6 in consultation with other Federal agencies as the Sec-
- 7 retary deems advisable, shall study and report to the Con-
- 8 gress regarding how the removal of offshore oil and gas
- 9 platforms and other facilities from the outer Continental
- 10 Shelf would affect existing fish stocks and coral popu-
- 11 lations.
- 12 SEC. 20. REPEAL OF REQUIREMENT TO CONDUCT COM-
- 13 PREHENSIVE INVENTORY OF OCS OIL AND
- 14 NATURAL GAS RESOURCES.
- 15 The Energy Policy Act of 2005 (Public Law 109–
- 16 58) is amended—
- 17 (1) by repealing section 357 (119 Stat. 720; 42
- 18 U.S.C. 15912); and
- 19 (2) in the table of contents in section 1(b), by
- striking the item relating to such section 357.
- 21 SEC. 21. MINING AND PETROLEUM SCHOOLS.
- 22 (a) Maintenance and Restoration of Existing
- 23 AND HISTORIC PETROLEUM AND MINING ENGINEERING
- 24 Programs.—Public Law 98–409 (30 U.S.C. 1221 et
- 25 seg.) is amended to read as follows:

1 "SECTION 1. SHORT TITLE.

- 2 "This Act may be cited as the 'Energy and Mineral
- 3 Schools Reinvestment Act'.
- 4 "SEC. 2. POLICY.
- 5 "It is the policy of the United States to maintain the
- 6 human capital needed to preserve and foster the economic,
- 7 energy, and mineral resources security of the United
- 8 States. The petroleum and mining engineering programs
- 9 and the applied geology and geophysics programs at State
- 10 chartered schools, universities, and institutions that
- 11 produce human capital are national assets and should be
- 12 assisted with Federal funds to ensure their continued
- 13 health and existence.
- 14 "SEC. 3. MAINTAINING AND RESTORING HISTORIC AND EX-
- 15 ISTING PETROLEUM AND MINING ENGINEER-
- 16 ING EDUCATION PROGRAMS.
- 17 "(a) The Secretary of the Interior (in this Act re-
- 18 ferred to as the 'Secretary') shall provide funds to historic
- 19 and existing State-chartered recognized petroleum or min-
- 20 ing schools to assist such schools, universities, and institu-
- 21 tions in maintaining programs in petroleum, mining, and
- 22 mineral engineering education and research. All funds
- 23 shall be directed only to these programs and shall be sub-
- 24 ject to the conditions of this section. Such funds shall not
- 25 be less than 25 percent of the annual outlay of funds au-

- 1 thorized by section 23(d) of the Deep Ocean Energy Re-
- 2 sources Act of 2006.
- 3 "(b) In this Act the term 'historic and existing State-
- 4 chartered recognized petroleum or mining school' means
- 5 a school, university, or educational institution with the
- 6 presence of an engineering program meeting the specific
- 7 program criteria, established by the member societies of
- 8 ABET, Inc., for petroleum, mining, or mineral engineer-
- 9 ing and that is accredited on the date of enactment of
- 10 the Deep Ocean Energy Resources Act of 2006 by ABET,
- 11 Inc.
- 12 "(c) It shall be the duty of each school, university,
- 13 or institution receiving funds under this section to provide
- 14 for and enhance the training of undergraduate and grad-
- 15 uate petroleum, mining, and mineral engineers through re-
- 16 search, investigations, demonstrations, and experiments.
- 17 All such work shall be carried out in a manner that will
- 18 enhance undergraduate education.
- 19 "(d) Each school, university, or institution receiving
- 20 funds under this Act shall maintain the program for which
- 21 the funds are provided for 10 years after the date of the
- 22 first receipt of such funds and take steps described in its
- 23 application for funding to increase the number of under-
- 24 graduate students enrolled in and completing the pro-

- grams of study in petroleum, mining, and mineral engi-2 neering. 3 "(e) The research, investigation, demonstration, experiment, and training authorized by this section may in-5 clude development and production of conventional and 6 non-conventional fuel resources, the production of metallic 7 and non-metallic mineral resources including industrial 8 mineral resources, and the production of stone, sand, and gravel. In all cases the work carried out with funds made 10 available under this Act shall include a significant opportunity for participation by undergraduate students. 12 "(f) Research funded by this Act related to energy and mineral resource development and production may in-13 clude— 14 "(1) studies of petroleum, mining, and mineral 15
- 15 "(1) studies of petroleum, mining, and mineral 16 extraction and immediately related beneficiation 17 technology;
- "(2) mineral economics, reclamation technology,
 and practices for active operations;
 - "(3) the development of re-mining systems and technologies to facilitate reclamation that fosters the ultimate recovery of resources at abandoned petroleum, mining, and aggregate production sites; and

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- 1 "(4) research on ways to extract petroleum and
- 2 mineral resources that reduce the environmental im-
- 3 pact of those activities.
- 4 "(g) Grants for basic science and engineering studies
- 5 and research shall not require additional participation by
- 6 funding partners. Grants for studies to demonstrate the
- 7 proof of concept for science and engineering or the dem-
- 8 onstration of feasibility and implementation shall include
- 9 participation by industry and may include funding from
- 10 other Federal agencies.
- 11 "(h)(1) No funds made available under this section
- 12 shall be applied to the acquisition by purchase or lease
- 13 of any land or interests therein, or the rental, purchase,
- 14 construction, preservation, or repair of any building.
- 15 "(2) Funding made available under this section may
- 16 be used with the express approval of the Secretary for pro-
- 17 posals that will provide for maintaining or upgrading of
- 18 existing laboratories and laboratory equipment. Funding
- 19 for such maintenance shall not be used for university over-
- 20 head expenses.
- 21 "(3) Funding made available under this Act may be
- 22 used for maintaining and upgrading mines and oil and gas
- 23 drilling rigs owned by a school, university, or institution
- 24 described in this section that are used for undergraduate
- 25 and graduate training and worker safety training. All re-

- 1 quests for funding such mines and oil and gas drilling rigs
- 2 must demonstrate that they have been owned by the
- 3 school, university, or institution for 5 years prior to the
- 4 date of enactment of the Deep Ocean Energy Resources
- 5 Act of 2006 and have been actively used for instructional
- 6 or training purposes during that time.
- 7 "(4) Any funding made available under this section
- 8 for research, investigation, demonstration, experiment, or
- 9 training shall not be used for university overhead charges
- 10 in excess of 10 percent of the amount authorized by the
- 11 Secretary.
- 12 "SEC. 4. FORMER AND NEW PETROLEUM AND MINING ENGI-
- 13 **NEERING PROGRAMS.**
- 14 "(a) A school, university, or educational institution
- 15 that formerly met the requirements of section 3(b) imme-
- 16 diately before the date of the enactment of the Deep Ocean
- 17 Energy Resources Act of 2006, or that seeks to establish
- 18 a new program described in section 3(b), shall be eligible
- 19 for funding under this Act only if it—
- 20 "(1) establishes a petroleum, mining, or mineral
- 21 engineering program that meets the specific program
- criteria and is accredited as such by ABET, Inc.,
- with particular consideration awarded to establishing
- programs and minority serving institutions;

- 1 "(2) agrees to the conditions of subsections (c) 2 through (h) of section 3 and the Secretary deter-3 mines that the program will strengthen and increase the number of nationally available, well-qualified faculty members in petroleum, mining, and mineral en-5 6 gineering; and "(3) agrees to maintain the accredited program 7 8 for 10 years after the date of the first receipt of 9 funds under this Act. 10 "(b) The Secretary shall seek the advice of the Committee established pursuant to section 11 in determining 11 12 the criteria used to carry out this section. "SEC. 5. FUNDING OF CONSORTIA OF HISTORIC AND EXIST-13 14 ING SCHOOLS. 15 "Where appropriate, the Secretary may make funds available to consortia of schools, universities, or institu-16 17 tions described in sections 3, 4, and 6, including those consortia that include schools, universities, or institutions 18 19 that are ineligible for funds under this Act if those schools, 20 universities, or institutions, respectively, have skills, pro-21 grams, or facilities specifically identified as needed by the 22 consortia to meet the necessary expenses for purposes of— 23
 - "(1) specific energy and mineral research projects of broad application that could not otherwise be undertaken, including the expenses of plan-

1	ning and coordinating regional petroleum, geo-
2	thermal, mining, and mineral engineering or
3	beneficiation projects by two or more schools; and
4	"(2) research into any aspects of petroleum,
5	geothermal, mining, or mineral engineering or
6	beneficiation problems, including but not limited to
7	exploration, that are related to the mission of the
8	Department of the Interior.
9	"SEC. 6. SUPPORT FOR SCHOOLS WITH ENERGY AND MIN-
10	ERAL RESOURCE PROGRAMS IN PETROLEUM
11	AND MINERAL EXPLORATION GEOLOGY, PE-
12	TROLEUM GEOPHYSICS, OR MINING GEO-
13	PHYSICS.
14	"(a) Twelve percent of the annual outlay of funds au-
15	thorized by section 23(d) of the Deep Ocean Energy Re-
16	sources Act of 2006 may be granted to schools, univer-
17	sities, and institutions other than those described in sec-
18	tions 3 and 4, with particular consideration awarded to
19	minority serving institutions.
20	"(b) The Secretary shall determine the eligibility of
21	a college or university to receive funding under this Act
22	using criteria that include—
23	"(1) the presence of a substantial program of
	1 8
24	undergraduate and graduate geoscience instruction

ties: petroleum geology, geothermal geology, mineral
exploration geology, economic geology, industrial
minerals geology, mining geology, petroleum geophysics, mining geophysics, geological engineering,
or geophysical engineering that has a demonstrated

history of achievement;

- "(2) evidence of institutional commitment for the purposes of this Act that includes a significant opportunity for participation by undergraduate students in research;
 - "(3) evidence that such school, university, or institution has or can obtain significant industrial cooperation in activities within the scope of this Act;
 - "(4) agreement by the school, university, or institution to maintain the programs for which the funding is sought for the 10-year period beginning on the date the school, university, or institution first receives such funds; and
- "(5) requiring that such funding shall be for the purposes set forth in subsections (c) through (h) of section 3 and subject to the conditions set forth in section 3(h).
- "(c) The Secretary shall seek the advice of the Committee established pursuant to section 11 in determining the criteria used to carry out this section.

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1 "SEC. 7. DESIGNATION OF FUNDS FOR SCHOLARSHIPS AND

- 2 FELLOWSHIPS.
- 3 "(a) The Secretary shall utilize 10 percent of the an-
- 4 nual outlay of funds authorized by section 23(d) of the
- 5 Deep Ocean Energy Resources Act of 2006 for the pur-
- 6 pose of providing merit-based scholarships for under-
- 7 graduate education, graduate fellowships, and
- 8 postdoctoral fellowships.
- 9 "(b) In order to receive a scholarship or a graduate
- 10 fellowship, an individual student must be a lawful perma-
- 11 nent resident of the United States or a United States cit-
- 12 izen and must agree in writing to complete a course of
- 13 studies and receive a degree in petroleum, mining, or min-
- 14 eral engineering, petroleum geology, geothermal geology,
- 15 mining and economic geology, petroleum and mining geo-
- 16 physics, or mineral economics.
- 17 "(c) The regulations required by section 9 shall re-
- 18 quire that an individual, in order to retain a scholarship
- 19 or graduate fellowship, must continue in one of the course
- 20 of studies listed in subsection (b) of this section, must re-
- 21 main in good academic standing, as determined by the
- 22 school, institution, or university and must allow for rein-
- 23 statement of the scholarship or graduate fellowship by the
- 24 Secretary, upon the recommendation of the school or insti-
- 25 tution. Such regulations may also provide for recovery of
- 26 funds from an individual who fails to complete any of the

- 1 courses of study listed in subsection (b) of this section
- 2 after notice that such completion is a requirement of re-
- 3 ceipt funding under this Act.
- 4 "(d) To carry out this section, the Secretary shall
- 5 award grants to schools, universities, and institutions that
- 6 are eligible to receive funding under section 3, 4 or 6. A
- 7 school, university, or institution receiving funding under
- 8 this subsection shall be responsible for enforcing the re-
- 9 quirements of this section for scholarship or fellowship
- 10 students and shall return to the Secretary any funds re-
- 11 covered from an individual under subsection (c). An insti-
- 12 tution seeking funds under this subsection shall describe,
- 13 in its application to the Secretary for funding, the number
- 14 of students that would be awarded scholarships or fellow-
- 15 ships if the application is approved, how such students
- 16 would be selected, and how the provisions of this section
- 17 will be enforced.

18 "SEC. 8. FUNDING CRITERIA FOR INSTITUTIONS.

- 19 "(a) Each application to the Secretary for funds
- 20 under this Act shall state, among other things, the nature
- 21 of the project to be undertaken; the period during which
- 22 it will be pursued; the qualifications of the personnel who
- 23 will direct and conduct it; the estimated costs; the impor-
- 24 tance of the project to the Nation, region, or States con-
- 25 cerned; its relation to other known research projects there-

- 1 tofore pursued or being pursued; the extent to which the
- 2 proposed project will maximize the opportunity for the
- 3 training of undergraduate petroleum, mining, and mineral
- 4 engineers; geologists and geophysicists; and the extent of
- 5 participation by nongovernmental sources in the project.
- 6 "(b) No funds shall be made available under this Act
- 7 except for an application approved by the Secretary. All
- 8 funds shall be made available upon the basis of merit of
- 9 the application, the need for the knowledge that it is ex-
- 10 pected to produce when completed, and the opportunity
- 11 it provides for the undergraduate training of individuals
- 12 as petroleum, mining, and mineral engineers, geologists,
- 13 and geophysicists. The Secretary may use competitive re-
- 14 view by nongovernmental experts in relevant fields to de-
- 15 termine which applications to approve, to the extent prac-
- 16 ticable.
- 17 "(c) Funds available under this Act shall be paid at
- 18 such times and in such amounts during each fiscal year
- 19 as determined by the Secretary, and upon vouchers ap-
- 20 proved by the Secretary. Each school, university, or insti-
- 21 tution that receives funds under this Act shall—
- "(1) establish its plan to provide for the train-
- 23 ing of individuals as petroleum, mining, and mineral
- engineers, geologists, and geophysicists under a cur-

- riculum appropriate to the field of mineral resources and mineral engineering and related fields;
- "(2) establish policies and procedures that assure that Federal funds made available under this Act for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this Act, and in no case supplant such funds; and
 - "(3) have an officer appointed by its governing authority who shall receive and account for all funds paid under this Act and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under this Act during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary.
- "(d) If any of the funds received by the authorized receiving officer of a program under this Act are found by the Secretary to have been improperly diminished, lost, or misapplied, such funds shall be recovered by the Secretary.
- "(e) Schools, universities, and institutions receivingfunds under this Act are authorized and encouraged to

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- 1 plan and conduct programs under this Act in cooperation
- 2 with each other and with such other agencies, business en-
- 3 terprises and individuals.

4 "SEC. 9. DUTIES OF SECRETARY.

- 5 "(a) The Secretary, acting through the Assistant Sec-
- 6 retary for Land and Minerals Management, shall admin-
- 7 ister this Act and shall prescribe such rules and regula-
- 8 tions as may be necessary to carry out its provisions not
- 9 later than 1 year after the enactment of the Deep Ocean
- 10 Energy Resources Act of 2006.
- 11 "(b)(1) There is established in the Department of the
- 12 Interior, under the supervision of the Assistant Secretary
- 13 for Land and Minerals Management, an office to be known
- 14 as the Office of Petroleum and Mining Schools (hereafter
- 15 in this Act referred to as the 'Office') to administer the
- 16 provisions of this Act. There shall be a Director of the
- 17 Office who shall be a member of the Senior Executive
- 18 Service. The position of the Director shall be allocated
- 19 from among the existing Senior Executive Service posi-
- 20 tions at the Department of the Interior and shall be a
- 21 career reserved position as defined in section 3132(a)(8)
- 22 of title 5, United States Code.
- 23 "(2) The Director is authorized to appoint a Deputy
- 24 Director and to employ such officers and employees as
- 25 may be necessary to enable the Office to carry out its func-

- tions. Such appointments shall be made from existing positions at the Department of the Interior, and shall be subject to the provisions of title 5, United States Code, gov-4 erning appointments in the competitive service. Such posi-5 tions shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title 6 7 relating to classification and General Schedule pay rates. 8 "(3) In carrying out his or her functions, the Director shall assist and advise the Secretary and the Committee 10 pursuant to section 11 of this Act by— "(A) providing professional and administrative 11 12 staff support for the Committee including record-13 keeping and maintaining minutes of all Committee 14 and subcommittee meetings; "(B) coordinating the activities of the Com-15 16 mittee with Federal agencies and departments, and 17 the schools, universities, and institutions to which 18 funds are provided under this Act; 19 "(C) maintaining accurate records of funds dis-
- 23 "(D) preparing any regulations required to implement this Act;

bursed for all scholarship and fellowship grants, re-

search grants, and grants for career technical edu-

cation purposes;

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- 1 "(E) conducting site visits at schools, univer-
- 2 sities, and institutions receiving funding under this
- 3 Act; and
- 4 "(F) serving as a central repository for reports
- 5 and clearing house for public information on re-
- 6 search funded by this Act.
- 7 "(4) The Director or an employee of the Office shall
- 8 be present at each meeting of the Committee pursuant to
- 9 section 11 or a subcommittee of such Committee.
- 10 "(5) The Director is authorized to contract with pub-
- 11 lic or private agencies, institutions, and organizations and
- 12 with individuals without regard to section 3324(a) and (b)
- 13 of title 31, United States Code, and section 5 of title 41,
- 14 United States Code, in carrying out his or her functions.
- 15 "(6) As needed the Director shall ascertain whether
- 16 the requirements of this Act have been met by schools,
- 17 universities, institutions, and individuals.
- 18 "(c) The Secretary, acting through the Office of Pe-
- 19 troleum and Mining Schools, shall furnish such advice and
- 20 assistance as will best promote the purposes of this Act,
- 21 shall participate in coordinating research, investigations,
- 22 demonstrations, and experiments initiated under this Act,
- 23 shall indicate to schools, universities, and institutions re-
- 24 ceiving funds under this Act such lines of inquiry that
- 25 seem most important, and shall encourage and assist in

1	the establishment and maintenance of cooperation between
2	such schools, universities, and institutions, other research
3	organizations, the Department of the Interior, and other
4	Federal agencies.
5	"(d) The Secretary shall establish procedures—
6	"(1) to ensure that each employee and con-
7	tractor of the Office established by this section and
8	each member of the Committee pursuant to section
9	11 of this Act shall disclose to the Secretary any fi-
10	nancial interests in or financial relationships with
11	schools, universities, institutions or individuals re-
12	ceiving funds, scholarships or fellowships under this
13	Act;
14	"(2) to require any employee, contractor, or
15	member of the Committee with a financial relation-
16	ship disclosed under paragraph (1) to recuse them-
17	selves from—
18	"(A) any recommendation or decision re-
19	garding the awarding of funds, scholarships or
20	fellowships; or
21	"(B) any review, report, analysis or inves-
22	tigation regarding compliance with the provi-
23	sions of this Act by a school, university, institu-
24	tion or any individual.

- 1 "(e) On or before the first day of July of each year
- 2 beginning after the date of enactment of this sentence,
- 3 schools, universities, and institutions receiving funds
- 4 under this Act shall certify compliance with this Act and
- 5 upon request of the Director of the office established by
- 6 this section provide documentation of such compliance.
- 7 "(f) An individual granted a scholarship or fellowship
- 8 with funds provided under this Act shall through their re-
- 9 spective school, university, or institution, advise the Direc-
- 10 tor of the office established by this Act of progress towards
- 11 completion of the course of studies and upon the awarding
- 12 of the degree within 30 days after the award.
- 13 "(g) The regulations required by this section shall in-
- 14 clude a preference for veterans and service members who
- 15 have received or will receive either the Afghanistan Cam-
- 16 paign Medal or the Iraq Campaign Medal as authorized
- 17 by Public Law 108–234, and Executive Order No. 13363.
- 18 "SEC. 10. COORDINATION.
- 19 "(a) Nothing in this Act shall be construed to impair
- 20 or modify the legal relationship existing between any of
- 21 the schools, universities, and institutions under whose di-
- 22 rection a program is established with funds provided under
- 23 this Act and the government of the State in which it is
- 24 located. Nothing in this Act shall in any way be construed

- 1 to authorize Federal control or direction of education at
- 2 any school, university, or institution.
- 3 "(b) The programs authorized by this Act are in-
- 4 tended to enhance the Nation's petroleum, mining, and
- 5 mineral engineering education programs and to enhance
- 6 educational programs in petroleum and mining exploration
- 7 and to increase the number of individuals enrolled in and
- 8 completing these programs. To achieve this intent, the
- 9 Secretary and the Committee pursuant to section 11 shall
- 10 receive the continuing advice and cooperation of all agen-
- 11 cies of the Federal Government concerned with the identi-
- 12 fication, exploration, and development of energy and min-
- 13 eral resources.
- 14 "(c) Nothing in this Act is intended to give or shall
- 15 be construed as giving the Secretary any authority over
- 16 mining and mineral resources research conducted by any
- 17 agency of the Federal Government, or as repealing or di-
- 18 minishing existing authorities or responsibilities of any
- 19 agency of the Federal Government to plan and conduct,
- 20 contract for, or assist in research in its area of responsi-
- 21 bility and concern with regard to mining and mineral re-
- 22 sources.
- 23 "(d) The schools, universities, and institutions receiv-
- 24 ing funding under this Act shall make detailed reports to
- 25 the Office of Petroleum and Mining Schools on projects

- 1 completed, in progress, or planned with funds provided
- 2 under this Act. All such reports shall be available to the
- 3 public on not less than an annual basis through the Office
- 4 of Petroleum and Mining Schools. All uses, products, proc-
- 5 esses, and other developments resulting from any re-
- 6 search, demonstration, or experiment funded in whole or
- 7 in part under this Act shall be made available promptly
- 8 to the general public, subject to exception or limitation,
- 9 if any, as the Secretary may find necessary in the interest
- 10 of national security, and subject to the applicable Federal
- 11 law governing patents.
- 12 "SEC. 11. COMMITTEE ON PETROLEUM, MINING, AND MIN-
- 13 ERAL ENGINEERING AND ENERGY AND MIN-
- 14 ERAL RESOURCE EDUCATION.
- 15 "(a) The Secretary shall appoint a Committee on Pe-
- 16 troleum, Mining, and Mineral Engineering and Energy
- 17 and Mineral Resource Education composed of—
- 18 "(1) the Assistant Secretary of the Interior re-
- sponsible for land and minerals management and
- 20 not more than 16 other persons who are knowledge-
- able in the fields of mining and mineral resources re-
- search, including 2 university administrators one of
- 23 whom shall be from historic and existing petroleum
- and mining schools; a community, technical, or tribal
- college administrator; a career technical education

educator; 6 representatives equally distributed from the petroleum, mining, and aggregate industries; a working miner; a working oilfield worker; a representative of the Interstate Oil and Gas Compact Commission; a representative from the Interstate Mining Compact Commission; a representative from the Western Governors Association; a representative of the State geologists, and a representative of a State mining and reclamation agency. In making these 16 appointments, the Secretary shall consult with interested groups.

"(2) The Assistant Secretary for Land and Minerals Management, in the capacity of the Chairman of the Committee, may have present during meetings of the Committee representatives of Federal agencies with responsibility for energy and mineral resource investigations, energy and mineral commodity information, international trade in energy and mineral commodities, mining safety regulation and mine safety research, and research into the development, production, and utilization of energy and mineral commodities. These representatives shall serve as technical advisors to the committee and shall have no voting responsibilities.

- 1 "(b) The Committee shall consult with, and make rec-
- 2 ommendations to, the Secretary on policy matters relating
- 3 to carrying out this Act. The Secretary shall consult with
- 4 and carefully consider recommendations of the Committee
- 5 in such matters.
- 6 "(c) Committee members, other than officers or em-
- 7 ployees of Federal, State, or local governments, shall be,
- 8 for each day (including traveltime) during which they are
- 9 performing Committee business, paid at a rate fixed by
- 10 the Secretary but not in excess of the daily equivalent of
- 11 the maximum rate of pay for level IV of the Executive
- 12 Schedule under section 5136 of title 5, United States
- 13 Code, and shall be fully reimbursed for travel, subsistence,
- 14 and related expenses.
- 15 "(d) The Committee shall be chaired by the Assistant
- 16 Secretary of the Interior responsible for land and minerals
- 17 management. There shall also be elected a Vice Chairman
- 18 by the Committee from among the members referred to
- 19 in this section. The Vice Chairman shall perform such du-
- 20 ties as are determined to be appropriate by the committee,
- 21 except that the Chairman of the Committee must person-
- 22 ally preside at all meetings of the full Committee. The
- 23 Committee may organize itself into such subcommittees as
- 24 the Committee may deem appropriate.

- 1 "(e) Following completion of the report required by
- 2 section 385 of the Energy Policy Act of 2005, the Com-
- 3 mittee shall consider the recommendations of the report,
- 4 ongoing efforts in the schools, universities, and institu-
- 5 tions receiving funding under this Act, the Federal and
- 6 State Governments, and the private sector, and shall for-
- 7 mulate and recommend to the Secretary a national plan
- 8 for a program utilizing the fiscal resources provided under
- 9 this Act. The Committee shall submit such plan to the
- 10 Secretary for approval. Upon approval, the plan shall
- 11 guide the Secretary and the Committee in their actions
- 12 under this Act.
- 13 "(f) Section 10 of the Federal Advisory Committee
- 14 Act (5 U.S.C. App. 2) shall not apply to the Committee.
- 15 "SEC. 12. CAREER TECHNICAL EDUCATION.
- 16 "(a) Up to 25 percent of the annual outlay of funds
- 17 authorized by section 23(d) of the Deep Ocean Energy Re-
- 18 sources Act of 2006 may be granted to schools or institu-
- 19 tions including, but not limited to, colleges, universities,
- 20 community colleges, tribal colleges and universities, tech-
- 21 nical institutes, secondary schools, other than those de-
- 22 scribed in sections 3, 4, 5, and 6, and jointly sponsored
- 23 apprenticeship and training programs that are authorized
- 24 by Federal law.

1	"(b) The Secretary shall determine the eligibility of
2	a school or institution to receive funding under this section
3	using criteria that include—
4	"(1) the presence of a State-approved program
5	in mining engineering technology, petroleum engi-
6	neering technology, industrial engineering tech-
7	nology, or industrial technology that—
8	"(A) is focused on technology and its use
9	in energy and mineral production and related
10	maintenance, operational safety, or energy in-
11	frastructure protection and security;
12	"(B) prepares students for advanced or su-
13	pervisory roles in the mining industry or the pe-
14	troleum industry; and
15	"(C) grants either an associate's degree or
16	a baccalaureate degree in one of the subjects
17	listed in subparagraph (A);
18	"(2) the presence of a program, including a sec-
19	ondary school vocational education program or ca-
20	reer academy, that provides training for individuals
21	entering the petroleum, coal mining, or mineral min-
22	ing industries; or
23	"(3) the presence of a State-approved program
24	of career technical education at a secondary school

- offered cooperatively with a community college in one of the industrial sectors of—
- 3 "(A) agriculture, forestry, or fisheries;
- 4 "(B) utilities;
- 5 "(C) construction;
- 6 "(D) manufacturing; and
- 7 "(E) transportation and warehousing.
- 8 "(c) Schools or institutions receiving funds under this
- 9 section must show evidence of an institutional commit-
- 10 ment for the purposes of career technical education and
- 11 provide evidence that the school or institution has received
- 12 or will receive industry cooperation in the form of equip-
- 13 ment, employee time, or donations of funds to support the
- 14 activities that are within the scope of this section.
- 15 "(d) Schools or institutions receiving funds under
- 16 this section must agree to maintain the programs for
- 17 which the funding is sought for a period of 10 years begin-
- 18 ning on the date the school or institution receives such
- 19 funds, unless the Secretary finds that a shorter period of
- 20 time is appropriate for the local labor market or is re-
- 21 quired by State authorities.
- 22 "(e) Schools or institutions receiving funds under this
- 23 section may combine these funds with State funds, and
- 24 other Federal funds where allowed by law, to carry out
- 25 programs described in this section, however the use of the

1	funds received under this section must be reported to the
2	Secretary not less than annually.
3	"(f) The Secretary shall seek the advice of the Com-
4	mittee established pursuant to section 11 in determining
5	the criteria used to carry out this section.
6	"SEC. 13. DEPARTMENT OF THE INTERIOR WORKFORCE EN
7	HANCEMENT.
8	"(a) Physical Science, Engineering and Tech-
9	NOLOGY SCHOLARSHIP PROGRAM.—
10	"(1) From the amount of funds available to
11	carry out this section, the Secretary shall use 30
12	percent of that amount to provide financial assist-
13	ance for education in physical sciences, engineering
14	and engineering or industrial technology and dis-
15	ciplines that, as determined by the Secretary, are
16	critical to the functions of the Department of the In-
17	terior and are needed in the Department of the Inte-
18	rior workforce.
19	"(2) The Secretary of the Interior may award
20	a scholarship in accordance with this section to a
21	person who—
22	"(A) is a citizen of the United States;
23	"(B) is pursuing an undergraduate or ad-
24	vanced decree in a critical skill or discipline de-

1	scribed in paragraph (1) at an institution of
2	higher education; and
3	"(C) enters into a service agreement with
4	the Secretary of the Interior as described in
5	subsection (e).
6	"(3) The amount of the financial assistance
7	provided under a scholarship awarded to a person
8	under this subsection shall be the amount deter-
9	mined by the Secretary of the Interior as being nec-
10	essary to pay all educational expenses incurred by
11	that person, including tuition, fees, cost of books
12	laboratory expenses, and expenses of room and
13	board. The expenses paid, however, shall be limited
14	to those educational expenses normally incurred by
15	students at the institution of higher education in-
16	volved.
17	"(b) Scholarship Program for Students At-
18	TENDING MINORITY SERVING HIGHER EDUCATION INSTI-
19	TUTIONS.—
20	"(1) From the amount of funds available to
21	carry out this section, the Secretary shall use 35
22	percent of that amount to award scholarships in ac-
23	cordance with this section to persons who—
24	"(A) are enrolled in a Minority Serving
25	Higher Education Institutions.

1	"(B) are citizens or nationals of the
2	United States;
3	"(C) are pursuing an undergraduate or ad

- "(C) are pursuing an undergraduate or advanced degree in agriculture, engineering, engineering or industrial technology, or physical sciences, or other discipline that is found by the Secretary to be critical to the functions of the Department of the Interior and are needed in the Department of the Interior workforce; and
- "(D) enter into a service agreement with the Secretary of the Interior as described in subsection (e).
- "(2) The amount of the financial assistance provided under a scholarship awarded to a person under this subsection shall be the amount determined by the Secretary of the Interior as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.
- 24 "(c) Education Partnerships With Minority
- 25 Serving Higher Education Institutions.—

1	"(1) The Secretary shall require the director of
2	each Bureau and Office, to foster the participation
3	of Minority Serving Higher Education Institutions
4	in any regulatory activity, land management activity
5	science activity, engineering or industrial technology
6	activity, or engineering activity carried out by the
7	Department of the Interior.
8	"(2) From the amount of funds available to
9	carry out this section, the Secretary shall use 35
10	percent of that amount to support activities at Mi-
11	nority Serving Higher Education Institutions by—
12	"(A) funding faculty and students in these
13	institutions in collaborative research projects
14	that are directly related to the Departmental or
15	Bureau missions;
16	"(B) allowing equipment transfer to Mi-
17	nority Serving Higher Education Institutions as
18	a part of a collaborative research program di-
19	rectly related to a Departmental or Bureau mis-
20	sion;
21	"(C) allowing faculty and students at these
22	Minority Serving Higher Education Institutions
23	to participate Departmental and Bureau train-
24	ing activities;

1	"(D) funding paid internships in Depart-
2	mental and Bureau facilities for students at Mi-
3	nority Serving Higher Education Institutions;
4	"(E) assigning Departmental and Bureau
5	personnel to positions located at Minority Serv-
6	ing Higher Educational Institutions to serve as
7	mentors to students interested in a science,
8	technology or engineering disciplines related to
9	the mission of the Department or the Bureaus.
10	"(d) Service Agreement for Recipients of As-
11	SISTANCE.—
12	"(1) To receive financial assistance under sub-
13	section (a) or (b) of this section—
14	"(A) in the case of an employee of the De-
15	partment of the Interior, the employee shall
16	enter into a written agreement to continue in
17	the employment of the department for the pe-
18	riod of obligated service determined under para-
19	graph (2); and
20	"(B) in the case of a person not an em-
21	ployee of the Department of the Interior, the
22	person shall enter into a written agreement to
23	accept and continue employment in the Depart-
24	ment of the Interior for the period of obligated
25	service determined under paragraph (2).

1 "(2) For the purposes of this section, the period 2 of obligated service for a recipient of a scholarship 3 under this section shall be the period determined by the Secretary of the Interior as being appropriate to 5 obtain adequate service in exchange for the financial assistance provided under the scholarship. In no 6 event may the period of service required of a recipi-7 8 ent be less than the total period of pursuit of a de-9 gree that is covered by the scholarship. The period 10 of obligated service is in addition to any other period for which the recipient is obligated to serve in the 12 civil service of the United States.

- "(3) An agreement entered into under this subsection by a person pursuing an academic degree shall include any terms and conditions that the Secretary of the Interior determines necessary to protect the interests of the United States or otherwise appropriate for carrying out this section.
- 19 "(e) Refund for Period of Unserved Obli-20 GATED SERVICE.—
 - "(1) A person who voluntarily terminates service before the end of the period of obligated service required under an agreement entered into under subsection (d) shall refund to the United States an amount determined by the Secretary of the Interior

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- 1 as being appropriate to obtain adequate service in 2 exchange for financial assistance.
- 3 "(2) An obligation to reimburse the United 4 States imposed under paragraph (1) is for all pur-5 poses a debt owed to the United States.
- "(3) The Secretary of the Interior may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.
- "(4) A discharge in bankruptcy under title 11,

 United States Code, that is entered less than five

 years after the termination of an agreement under

 this section does not discharge the person signing

 such agreement from a debt arising under such

 agreement or under this subsection.
- agreement or under this subsection.

 "(f) Relationship to Other Programs.—The
 Secretary of the Interior shall coordinate the provision of
 financial assistance under the authority of this section
 with the provision of financial assistance under the authorities provided in this Act in order to maximize the benefits derived by the Department of Interior from the exerdise of all such authorities.

- 1 "(g) Report.—Not later than September 1 of each
- 2 year, the Secretary of the Interior shall submit to the Con-
- 3 gress a report on the status of the assistance program car-
- 4 ried out under this section. The report shall describe the
- 5 programs within the Department designed to recruit and
- 6 retain a workforce on a short-term basis and on a long-
- 7 term basis.
- 8 "(h) Definitions.—As used in this section:
- 9 "(1) The term 'Minority Serving Higher Edu-
- 10 cation Institutions' means a Hispanic-serving insti-
- tution, historically Black college or university, Alas-
- 12 ka Native-serving institution, tribal college or uni-
- versity, or insular area school.
- 14 "(2) The term 'Hispanic-serving institution' has
- the meaning given the term in section 502(a) of the
- Higher Education Act of 1965 (20 U.S.C.
- 17 1101a(a)).
- 18 "(3) The term 'historically Black college or uni-
- versity' has the meaning given the term 'part B in-
- stitution' in section 322 of the Higher Education
- 21 Act of 1965 (20 U.S.C. 1061).
- 22 "(4) The term 'tribal college or university' has
- the meaning given the term 'Tribal College or Uni-
- versity' in section 316(b)(3) of the Higher Edu-
- 25 cation Act of 1965 (20 U.S.C. 1059e).

- 1 "(5) The term 'institution of higher education' 2 has the meaning given such term in section 101 of 3 the Higher Education Act of 1965 (20 U.S.C. 4 1001).
- "(6) The term 'Alaska Native-serving institution' has the meaning given the term in section 317 of the Higher Education Act of 1965 (20 U.S.C. 1059d).
- 9 "(7) The term 'insular area school' means an 10 academic institution or university in American 11 Samoa, Guam, The Northern Mariana Islands, 12 Puerto Rico, and the Virgin Islands, or any other 13 territory or possession of the United States.
- "(i) Funding.—To implement this section, the Sec-15 retary shall use 3 percent of the annual outlay authorized 16 by section 23(d) of the Deep Ocean Energy Resources Act 17 of 2006.".

18 (b) Funding for Energy Research.—

19 (1) Using 20 percent of the funds authorized by 20 subsection (d), the Secretary of Energy, through the 21 energy supply research and development programs of 22 the Department of Energy, and in consultation with 23 the Office of Science of the Department of Energy, 24 shall carry out a program to award grants to institu-25 tions of higher education on the basis of competitive,

1	merit-based review, for the purpose of conducting re-
2	search on advanced energy technologies with the po-
3	tential to transform the energy systems of the
4	United States so as to—
5	(A) reduce dependence on foreign energy
6	supplies;
7	(B) reduce or eliminate emissions of green-
8	house gases;
9	(C) reduce negative environmental effects
10	associated with energy production, storage, and
11	use; and
12	(D) enhance the competitiveness of United
13	States energy technology exports.
14	(2) Awards made under this subsection may in-
15	clude funding for—
16	(A) energy efficiency;
17	(B) renewable energy, including solar,
18	wind, and biofuels; and
19	(C) nuclear, hydrogen, and any other en-
20	ergy research that could accomplish the purpose
21	set forth in paragraph (1).
22	(3) The Secretary of Energy may require or au-
23	thorize grantees under this subsection to partner
24	with industry, but only to the extent that such a re-
25	quirement does not prevent long-range, potentially

- pathbreaking research from being funded under this
 subsection.
 - (4) An institution of higher education seeking funding under this subsection shall submit an application at such time, in such manner, and containing such information as the Secretary of Energy may require.
 - (5) In this subsection, the term "institution of higher education" has the meaning given that term in section 101(a) of the Higher Education Act of 1965.

(c) Funding for Energy Scholarships.—

(1) Using 5 percent of the funds authorized by subsection (d), the Secretary of Energy, through the energy supply research and development programs of the Department of Energy, and in consultation with the Office of Science of the Department of Energy, shall carry out a program to award grants to institutions of higher education on the basis of competitive, merit-based review, to grant graduate traineeships to Ph.D. students who are citizens of the United States who will carry out research on advanced energy technologies to accomplish the purpose set forth in subsection (c)(1).

1	(2) Awards made under this subsection may in-
2	clude funding for—
3	(A) energy efficiency;
4	(B) renewable energy, including solar,
5	wind, and biofuels; and
6	(C) nuclear, hydrogen, and any other en-
7	ergy research that would accomplish the pur-
8	pose set forth in subsection $(c)(1)$ that is not el-
9	igible for funding under section 7 of the Energy
10	and Mineral Schools Reinvestment Act.
11	(3) An institution of higher education seeking
12	funding under this subsection shall submit an appli-
13	cation at such time, in such manner, and containing
14	such information as the Secretary of Energy may re-
15	quire.
16	(4) In this subsection, the term "institution of
17	higher education" has the meaning given that term
18	in section 101(a) of the Higher Education Act of
19	1965.
20	(d) AUTHORIZATION OF APPROPRIATIONS.—There is
21	authorized to be appropriated to carry out this section
22	\$150,000,000 for each of fiscal years 2007 through 2017.
23	SEC. 22. ONSHORE AND OFFSHORE MINERAL LEASE FEES.
24	Except as otherwise provided in this Act, the Depart-
25	ment of the Interior is prohibited from charging fees appli-

- 1 cable to actions on Federal onshore and offshore oil and
- 2 gas, coal, geothermal, and other mineral leases, including
- 3 transportation of any production from such leases, if such
- 4 fees were not established in final regulations prior to the
- 5 date of issuance of the lease.

6 SEC. 23. OCS REGIONAL HEADQUARTERS.

- 7 The headquarters for the Gulf of Mexico Region shall
- 8 permanently be located within the State of Louisiana with-
- 9 in 25 miles of the center of Jackson Square, New Orleans,
- 10 Louisiana. Further, not later than July 1, 2008, the Sec-
- 11 retary of the Interior shall establish the headquarters for
- 12 the Atlantic OCS Region and the headquarters for the Pa-
- 13 cific OCS Region within a State bordering the Atlantic
- 14 OCS Region and a State bordering the Pacific OCS Re-
- 15 gion, respectively, from among the States bordering those
- 16 Regions, that petitions by no later than January 1, 2008,
- 17 for leasing, for oil and gas or natural gas, covering at least
- 18 40 percent of the area of its Adjacent Zone within 100
- 19 miles of the coastline. Such Atlantic and Pacific OCS Re-
- 20 gions headquarters shall be located within 25 miles of the
- 21 coastline and each MMS OCS regional headquarters shall
- 22 be the permanent duty station for all Minerals Manage-
- 23 ment Service personnel that on a daily basis spend on av-
- 24 erage 60 percent or more of their time in performance of
- 25 duties in support of the activities of the respective Region,

- 1 except that the Minerals Management Service may house
- 2 regional inspection staff in other locations. Each OCS Re-
- 3 gion shall each be led by a Regional Director who shall
- 4 be an employee within the Senior Executive Service.

5 SEC. 24. NATIONAL GEO FUND ACT OF 2006.

- 6 (a) Short Title.—This section may be cited as the
- 7 "National Geo Fund Act of 2006".
- 8 (b) Purposes.—The purpose of this section is to
- 9 provide for the management of geologic programs, geologic
- 10 mapping, geophysical and other seismic studies, seismic
- 11 monitoring programs, and the preservation and use of geo-
- 12 logic and geophysical data, geothermal and geopressure
- 13 energy resource management, unconventional energy re-
- 14 sources management, and renewable energy management
- 15 associated with ocean wave, current, and thermal re-
- 16 sources.
- 17 (c) State Defined.—In this section the term
- 18 "State" means the agency of a State designated by its
- 19 Governor or State law to perform the functions and activi-
- 20 ties described in subsection (b).
- 21 (d) Strategic Unconventional Resources.—
- 22 (1) Program.—The Secretary of the Interior
- shall establish a program for production of fuels
- from strategic unconventional resources, and produc-
- 25 tion of oil and gas resources using CO2 enhanced re-

covery. The program shall focus initially on activities and domestic resources most likely to result in significant production in the near future, and shall include work necessary to improve extraction techniques, including surface and in situ operations. The program shall include characterization and assessment of potential resources, a sampling program, appropriate laboratory and other analyses and testing, and assessment of methods for exploration and development of these strategic unconventional resources.

(2) PILOT PROJECTS.—The program created in paragraph (1) shall include, but not be limited to, pilot projects on (A) the Maverick Basin heavy oil and tar sands formations of Texas, including the San Miguel deposits, (B) the Greater Green River Basin heavy oil, oil shale, tar sands, and coal deposits of Colorado, Utah, and Wyoming, (C) the shale, tar sands, heavy oil, and coal deposits in the Alabama-Mississippi-Tennessee region, (D) the shale, tar sands, heavy oil, and coal deposits in the Ohio River valley, and (E) strategic unconventional resources in California. The Secretary shall identify and report to Congress on feasible incentives to foster recovery of unconventional fuels by private indus-

try within the United States. Such incentives may include, but are not limited to, long-term contracts for the purchase of unconventional fuels for defense purposes, Federal grants and loan guarantees for necessary capital expenditures, and favorable terms for the leasing of Government lands containing unconventional resources.

(3) Definitions.—In this subsection:

- (A) STRATEGIC UNCONVENTIONAL RE-SOURCES.—The term "strategic unconventional resources" means hydrocarbon resources, including heavy oil, oil shale, tar sands, and coal deposits, from which liquid fuels may be produced.
- (B) In SITU EXTRACTION METHODS.—The term "in situ extraction methods" means recovery techniques that are applied to the resources while they are still in the ground, and are in commercial use or advanced stages of development. Such techniques include, but are not limited to, steam flooding, steam-assisted gravity drainage (including combination with electric power generation where appropriate), cyclic steam stimulation, air injection, and chemical treatment.

1	(4) Authorization of appropriations.—
2	There is authorized to be appropriated to carry out
3	this subsection for each of fiscal years 2007 through
4	2011 not less than \$35,000,000. Each pilot project
5	shall be allocated not less than \$4,000,000 per year
6	in each of fiscal years 2007 through 2011.
7	(e) Support of Geothermal and Geopressure
8	OIL AND GAS ENERGY PRODUCTION.—
9	(1) In General.—The Secretary shall carry
10	out a grant program in support of geothermal and
11	geopressure oil and gas energy production. The pro-
12	gram shall include grants for a total of not less than
13	three assessments of the use of innovative geo-
14	thermal techniques such as organic rankine cycle
15	systems at marginal, unproductive, and productive
16	oil and gas wells, and not less than one assessment
17	of the use of innovative geopressure techniques. The
18	Secretary shall, to the extent practicable and in the
19	public interest, make awards that—
20	(A) include not less than five oil or gas
21	well sites per project award;
22	(B) use a range of oil or gas well hot water
23	source temperatures from 150 degrees Fahr-
24	enheit to 300 degrees Fahrenheit;
25	(C) use existing or new oil or gas wells;

1	(D) cover a range of sizes from 175 kilo-
2	watts to one megawatt;
3	(E) are located at a range of sites includ-
4	ing tribal lands, Federal lease, State, or pri-
5	vately owned sites;
6	(F) can be replicated at a wide range of
7	sites;
8	(G) facilitate identification of optimum
9	techniques among competing alternatives;
10	(H) include business commercialization
11	plans that have the potential for production of
12	equipment at high volumes and operation and
13	support at a large number of sites; and
14	(I) satisfy other criteria that the Secretary
15	determines are necessary to carry out the pro-
16	gram.
17	The Secretary shall give preference to assessments
18	that address multiple elements contained in subpara-
19	graphs (A) through (I).
20	(2) Grant Awards.—
21	(A) In General.—Each grant award for
22	assessment of innovative geothermal or
23	geopressure technology such as organic rankine
24	cycle systems at oil and gas wells made by the
25	Secretary under this section shall include—

1	(i) necessary and appropriate site en-
2	gineering study;
3	(ii) detailed economic assessment of
4	site specific conditions;
5	(iii) appropriate feasibility studies to
6	determine ability for replication;
7	(iv) design or adaptation of existing
8	technology for site specific circumstances
9	or conditions;
10	(v) installation of equipment, service,
11	and support; and
12	(vi) monitoring for a minimum of one
13	year after commissioning date.
14	(3) Competitive grant selection.—Not less
15	than 180 days after the date of the enactment of
16	this Act, the Secretary shall conduct a national solic-
17	itation for applications for grants under the pro-
18	gram. Grant recipients shall be selected on a com-
19	petitive basis based on criteria in subsection (b).
20	(4) Federal share.—The Federal share of
21	costs of grants under this subsection shall be pro-
22	vided from funds made available to carry out this
23	section. The Federal share of the cost of a project
24	carried out with such a grant shall not exceed 50
25	percent of such cost.

1	(5) Authorization of appropriations.—
2	There is authorized to be appropriated to carry out
3	this subsection for each of fiscal years 2007 through
4	2011 not less than \$5,000,000. No funds authorized
5	under this section may be used for the purposes of
6	drilling new wells.
7	(6) Amendment.—Section 4 of the Geothermal
8	Steam Act of 1970 (30 USC 1003) is amended by
9	adding at the end the following:
10	"(h) Geothermal Resources Co-Produced
11	WITH THE MINERALS.—Any person who holds a lease or
12	who operates a cooperative or unit plan under the Mineral
13	Leasing Act, in the absence of an existing lease for geo-
14	thermal resources under this Act, shall upon notice to the
15	Secretary have the right to utilize any geothermal re-
16	sources co-produced with the minerals for which the lease
17	was issued during the operation of that lease or coopera-
18	tive or unit plan, for the generating of electricity to oper-
19	ate the lease. Any electricity that is produced in excess
20	of that which is required to operate the lease and that
21	is sold for purposes outside of the boundary of the lease
22	shall be subject to the requirements of section 5.".
23	(f) Liquid Fuels Grant Program.—
24	(1) Program.—The Secretary of the Interior
25	shall establish a grant program for facilities for coal-

- to-liquids, petroleum coke-to-liquids, oil shale, tar sands, heavy oil, and Alaska natural gas-to-liquids and to assess the production of low-rank coal water fuel (in this subsection referred to as "LRCWF").
 - (2) LRCWF.—The LRCWF grant project location shall use lignite coal from fields near the Tombigbee River within 60 miles of a land-grant college and shall be allocated \$15,000,000 for expenditure during fiscal year 2007.

(3) Definitions.—In this subsection:

- (A) Coal-to-liquids front-end engineering and design" and "FEED" mean those expenditures necessary to engineer, design, and obtain permits for a facility for a particular geographic location which will utilize a process or technique to produce liquid fuels from coal resources.
- (B) Low-rank coal water fuel.—In this subsection the term "low-rank coal water fuel" means a liquid fuel produced from hydrothermal treatment of lignite and sub-bituminous coals.
- (4) Grant Provisions.—All grants shall require a 50 percent non-Federal cost share. The first

1 4 FEED grant recipients who receive full project 2 construction financing commitments, based on ear-3 liest calendar date, shall not be required to repay 4 any of their grants. The next 4 FEED grant recipi-5 ents who receive such commitments shall be required 6 to repay 25 percent of the grant. The next 4 FEED 7 grant recipients who receive such commitments shall 8 be required to repay 50 percent of the grant, and 9 the remaining FEED grant recipients shall be re-10 quired to repay 75 percent of the grant. The 11 LRCWF recipient shall not be required to repay the 12 grant. Any required repayment shall be paid as part 13 of the closing process for any construction financing 14 relating to the grant. No repayment shall require the 15 payment of interest if repaid within 5 years of the 16 issuance of the grant. FEED grants shall be limited 17 to a maximum of \$1,000,000 per 1,000 barrels per 18 day of liquid fuels production capacity, not to exceed 19 \$25 million per year.

- (5) AUTHORIZATION OF APPROPRIATIONS.—
 There is authorized to be appropriated to carry out
 this subsection—
- (A) \$65,000,000 for fiscal year 2007; and
- 24 (B) \$37,500,000 for each of fiscal years 25 2008 through 2013.

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1	(g) RENEWABLE ENERGY FROM OCEAN WAVE, CUR-
2	RENT, AND THERMAL RESOURCES.—
3	(1) Program.—The Secretary of the Interior
4	shall establish a grant program for the production of
5	renewable energy from ocean waves, currents, and
6	thermal resources.
7	(2) Grant Provisions.—All grants under this
8	subsection shall require a 50 percent non-Federal
9	cost share.
10	(3) Authorization of appropriations.—
11	There is authorized to be appropriated to carry out
12	this subsection funds for each of fiscal years 2007
13	through 2011 in the amount of not less than
14	\$20,000,000 each year, and thereafter in such
15	amounts as the Secretary may find appropriate.
16	(h) Amendment to the Surface Mining Con-
17	TROL AND RECLAMATION ACT OF 1977.—Section 507 of
18	the Surface Mining Control and Reclamation Act of 1977
19	(30 U.S.C. 1267) is amended by adding at the end the
20	following:
21	"(i) Any person who provides the regulatory authority
22	with a map under subsection (b)(13) or (b)(14) shall not
23	be liable to any other person in any way for the accuracy
24	or completeness of any such map which was not prepared

 $25\,\,$ and certified by or on behalf of such person.".

1 SEC. 25. LEASES FOR AREAS LOCATED WITHIN 100 MILES

2	OF CALIFORNIA	OD EL ODIDA
Z	OF CALIFORNIA	OR FLORIDA.

- 3 (a) Authorization to Cancel and Exchange
- 4 CERTAIN EXISTING OIL AND GAS LEASES; PROHIBITION
- 5 ON SUBMITTAL OF EXPLORATION PLANS FOR CERTAIN
- 6 Leases Prior to June 30, 2010.—
- 7 (1) AUTHORITY.—Within 2 years after the date 8 of enactment of this Act, the lessee of an existing oil 9 and gas lease for an area located completely within 10 100 miles of the coastline within the California or 11 Florida Adjacent Zones shall have the option, without compensation, of exchanging such lease for a 12 13 new oil and gas lease having a primary term of 5 14 years. For the area subject to the new lease, the les-15 see may select any unleased tract on the outer Con-16 tinental Shelf that is in an area available for leasing. 17 Further, with the permission of the relevant Gov-18 ernor, such a lessee may convert its existing oil and 19 gas lease into a natural gas lease having a primary 20 term of 5 years and covering the same area as the 21 existing lease or another area within the same 22 State's Adjacent Zone within 100 miles of the coast-23 line.
 - (2) Administrative process.—The Secretary of the Interior shall establish a reasonable administrative process to implement paragraph (1). Ex-

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- changes and conversions under subsection (a), including the issuance of new leases, shall not be considered to be major Federal actions for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). Further, such actions conducted in accordance with this section are deemed to be in compliance all provisions of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.).
 - (3) OPERATING RESTRICTIONS.—A new lease issued in exchange for an existing lease under this section shall be subject to such national defense operating stipulations on the OCS tract covered by the new lease as may be applicable upon issuance.
 - (4) Priority.—The Secretary shall give priority in the lease exchange process based on the amount of the original bonus bid paid for the issuance of each lease to be exchanged. The Secretary shall allow leases covering partial tracts to be exchanged for leases covering full tracts conditioned upon payment of additional bonus bids on a per-acre basis as determined by the average per acre of the original bonus bid per acre for the partial tract being exchanged.
 - (5) EXPLORATION PLANS.—Any exploration plan submitted to the Secretary of the Interior after

- 1 the date of the enactment of this Act and before 2 July 1, 2010, for an oil and gas lease for an area 3 wholly within 100 miles of the coastline within the California Adjacent Zone or Florida Adjacent Zone 5 shall not be treated as received by the Secretary 6 until the earlier of July 1, 2010, or the date on 7 which a petition by the Adjacent State for oil and 8 gas leasing covering the area within which is located 9 the area subject to the oil and gas lease was ap-10 proved.
- 11 (b) Further Lease Cancellation and Ex-12 Change Provisions.—
 - (1) CANCELLATION OF LEASE.—As part of the lease exchange process under this section, the Secretary shall cancel a lease that is exchanged under this section.
 - (2) Consent of lessees.—All lessees holding an interest in a lease must consent to cancellation of their leasehold interests in order for the lease to be cancelled and exchanged under this section.
 - (3) WAIVER OF RIGHTS.—As a prerequisite to the exchange of a lease under this section, the lessee must waive any rights to bring any litigation against the United States related to the transaction.

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- 1 (4) Plugging and abandonment.—The plug-
- 2 ging and abandonment requirements for any wells
- 3 located on any lease to be cancelled and exchanged
- 4 under this section must be complied with by the les-
- 5 sees prior to the cancellation and exchange.
- 6 (c) Area Partially Within 100 Miles of Flor-
- 7 IDA.—An existing oil and gas lease for an area located
- 8 partially within 100 miles of the coastline within the Flor-
- 9 ida n Adjacent Zone may only be developed and produced
- 10 using wells drilled from well-head locations at least 100
- 11 miles from the coastline to any bottom-hole location on
- 12 the area of the lease. This subsection shall not apply if
- 13 Florida has petitioned for leasing closer to the coastline
- 14 than 100 miles.
- 15 (d) Existing Oil and Gas Lease Defined.—In
- 16 this section the term "existing oil and gas lease" means
- 17 an oil and gas lease in effect on the date of the enactment
- 18 of this Act.
- 19 SEC. 26. COASTAL IMPACT ASSISTANCE.
- 20 Section 31 of the Outer Continental Shelf Lands Act
- 21 (43 U.S.C. 1356a) is repealed.
- 22 SEC. 27. OIL SHALE AND TAR SANDS AMENDMENTS.
- (a) Repeal of Requirement to Establish Pay-
- 24 MENTS.—Section 369(o) of the Energy Policy Act of 2005

1	(Public Law 109–58; 119 Stat. 728; 42 U.S.C. 15927)
2	is repealed.
3	(b) Treatment of Revenues.—Section 21 of the
4	Mineral Leasing Act (30 U.S.C. 241) is amended by add-
5	ing at the end the following:
6	"(e) Revenues.—
7	"(1) In general.—Notwithstanding the provi-
8	sions of section 35, all revenues received from and
9	under an oil shale or tar sands lease shall be dis-
10	posed of as provided in this subsection.
11	"(2) Royalty rates for commercial
12	LEASES.—
13	"(A) ROYALTY RATES.—The Secretary
14	shall model the royalty schedule for oil shale
15	and tar sands leases based on the royalty pro-
16	gram currently in effect for the production of
17	synthetic crude oil from oil sands in the Prov-
18	ince of Alberta, Canada.
19	"(B) REDUCTION.—The Secretary shall re-
20	duce any royalty otherwise required to be paid
21	under subparagraph (A) under any oil shale or
22	tar sands lease on a sliding scale based upon
23	market price, with a 10 percent reduction if the
24	average futures price of NYMEX Light Sweet

Crude, or a similar index, drops, for the pre-

1	vious quarter year, below \$50 (in January 1,
2	2006, dollars), and an 80 percent reduction if
3	the average price drops below \$30 (in January
4	1, 2006, dollars) for the quarter previous to the
5	one in which the production is sold.
6	"(3) Disposition of Revenues.—
7	"(A) Deposit.—The Secretary shall de-
8	posit into a separate account in the Treasury
9	all revenues derived from any oil shale or tar
10	sands lease.
11	"(B) Allocations to states and local
12	POLITICAL SUBDIVISIONS.—The Secretary shall
13	allocate 50 percent of the revenues deposited
14	into the account established under subpara-
15	graph (A) to the State within the boundaries of
16	which the leased lands are located, with a por-
17	tion of that to be paid directly by the Secretary
18	to the State's local political subdivisions as pro-
19	vided in this paragraph.
20	"(C) Transmission of allocations.—
21	"(i) IN GENERAL.—Not later than the
22	last business day of the month after the
23	month in which the revenues were received,
24	the Secretary shall transmit—

1	"(I) to each State two-thirds of
2	such State's allocations under sub-
3	paragraph (B), and in accordance
4	with clauses (ii) and (iii) to certain
5	county-equivalent and municipal polit-
6	ical subdivisions of such State a total
7	of one-third of such State's allocations
8	under subparagraph (B), together
9	with all accrued interest thereon; and
10	"(II) the remaining balance of
11	such revenues deposited into the ac-
12	count that are not allocated under
13	subparagraph (B), together with in-
14	terest thereon, shall be transmitted to
15	the miscellaneous receipts account of
16	the Treasury, except that until a lease
17	has been in production for 20 years
18	50 percent of such remaining balance
19	derived from a lease shall be paid in
20	accordance with subclause (I).
21	"(ii) Allocations to certain
22	COUNTY-EQUIVALENT POLITICAL SUBDIVI-
23	SIONS.—The Secretary shall under clause
24	(i)(I) make equitable allocations of the rev-
25	enues to county-equivalent political sub-

divisions that the Secretary determines are closely associated with the leasing and production of oil shale and tar sands, under a formula that the Secretary shall determine by regulation.

"(iii) Allocations to municipal political subdivision under clause (ii) shall be further allocated to the county-equivalent political subdivision and any municipal political subdivisions located partially or wholly within the boundaries of the county-equivalent political subdivision on an equitable basis under a formula that the Secretary shall determine by regulation.

"(D) Investment of deposits.—The deposits in the Treasury account established under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

"(E) USE OF FUNDS.—A recipient of funds under this subsection may use the funds for any lawful purpose as determined by State law. Funds allocated under this subsection to States and local political subdivisions may be used as matching funds for other Federal programs without limitation. Funds allocated to local political subdivisions under this subsection may not be used in calculation of payments to such local political subdivisions under programs for payments in lieu of taxes or other similar programs.

"(F) No accounting required.—No recipient of funds under this subsection shall be required to account to the Federal Government for the expenditure of such funds, except as otherwise may be required by law.

"(4) DEFINITIONS.—In this subsection:

"(A) COUNTY-EQUIVALENT POLITICAL SUBDIVISION.—The term 'county-equivalent political subdivision' means a political jurisdiction immediately below the level of State government, including a county, parish, borough in Alaska, independent municipality not part of a

1	county, parish, or borough in Alaska, or other
2	equivalent subdivision of a State.
3	"(B) Municipal political subdivi-
4	SION.—The term 'municipal political subdivi-
5	sion' means a municipality located within and
6	part of a county, parish, borough in Alaska, or
7	other equivalent subdivision of a State.".
8	SEC. 28. AVAILABILITY OF OCS RECEIPTS TO PROVIDE PAY-
9	MENTS UNDER SECURE RURAL SCHOOLS
10	AND COMMUNITY SELF-DETERMINATION ACT
11	OF 2000.
12	Section 9 of the Outer Continental Shelf Lands Act
13	(43 U.S.C. 1338) is amended by inserting after subsection
14	(i), as added by section 7 of this Act, the following new
15	subsection:
16	"(j) Conditional Availability of Funds for
17	PAYMENTS UNDER SECURE RURAL SCHOOLS AND COM-
18	MUNITY SELF-DETERMINATION ACT OF 2000.—
19	"(1) Availability of funds.—Subject to
20	paragraph (2), but notwithstanding any other provi-
21	sion of this section, \$50,000,000 of OCS Receipts
22	shall be available to the Secretary of the Treasury
23	for each of fiscal years 2007 through 2012 to make
24	payments under sections 102 and 103 of the Secure
25	Rural Schools and Community Self-Determination

1	Act of 2000 (Public Law 106–393; 16 U.S.C. 500
2	note). The Secretary of the Treasury shall use the
3	funds made available by this subsection to make
4	such payments in lieu of using funds in the Treas-
5	ury not otherwise appropriated, as otherwise author-
6	ized by sections $102(b)(3)$ and $103(b)(2)$ of such
7	Act.
8	"(2) Condition on availability.—OCS Re-
9	ceipts shall be available under paragraph (1) for a
10	fiscal year only if—
11	"(A) title I of the Secure Rural Schools
12	and Community Self-Determination Act of
13	2000 has been reauthorized through at least
14	that fiscal year; and
15	"(B) the authority to initiate projects
16	under titles II and III of such Act has been ex-
17	tended through at least that fiscal year.".
18	SEC. 29. SENSE OF THE CONGRESS TO BUY AND BUILD
19	AMERICAN.
20	(a) Buy and Build American.—It is the intention
21	of the Congress that this Act, among other things, result
22	in a healthy and growing American industrial, manufac-
23	turing, transportation, and service sector employing the
24	vast talents of America's workforce to assist in the devel-
25	opment of affordable energy from the Outer Continental

- 1 Shelf. Moreover, the Congress intends to monitor the de-
- 2 ployment of personnel and material in the Outer Conti-
- 3 nental Shelf to encourage the development of American
- 4 technology and manufacturing to enable United States
- 5 workers to benefit from this Act by good jobs and careers,
- 6 as well as the establishment of important industrial facili-
- 7 ties to support expanded access to American resources.
- 8 (b) Safeguard for Extraordinary Ability.—
- 9 Section 30(a) of the Outer Continental Shelf Lands Act
- 10 (43 U.S.C. 1356(a)) is amended in the matter preceding
- 11 paragraph (1) by striking "regulations which" and insert-
- 12 ing "regulations that shall be supplemental and com-
- 13 plimentary with and under no circumstances a substi-
- 14 tution for the provisions of the Constitution and laws of
- 15 the United States extended to the subsoil and seabed of
- 16 the outer Continental Shelf pursuant to section 4(a)(1)
- 17 of this Act, except insofar as such laws would otherwise
- 18 apply to individuals who have extraordinary ability in the
- 19 sciences, arts, education, or business, which has been dem-
- 20 onstrated by sustained national or international acclaim,
- 21 and that".

1	SEC. 30. AVAILABILITY OF OCS RECEIPTS TO PROVIDE
2	FUNDS FOR TRANSPORTATION INFRASTRUC-
3	TURE OF THE NATION'S CAPITAL.
4	Section 9 of the Outer Continental Shelf Lands Act
5	(43. U.S.C. 1338) is further amended by adding at the
6	end the following new subsection:
7	"(k) Availability of Funds for Improvements
8	TO THE TRANSPORTATION INFRASTRUCTURE OF THE NA-
9	TION'S CAPITAL.—Notwithstanding any other provision of
10	this section, \$150,000,000 of OCS Receipts shall be avail-
11	able to the Secretary of the Treasury for each of fiscal
12	years 2007 through 2016 to make payments, subject to
13	appropriations, to the Washington Metropolitan Area
14	Transit Authority (as defined in the National Capital
15	Transportation Act of 1969) (sec. 9—1111.01 et seq.,
16	D.C. Official Code) to finance in part the capital and pre-
17	ventive maintenance projects included in the Capital Im-
18	provement Program approved by the Board of Directors
19	of the Washington Metropolitan Area Transit Authority.
	Passed the House of Representatives June 29, 2006.
	Attest:

Clerk.

109TH CONGRESS H. R. 4761

AN ACT

To provide for exploration, development, and production activities for mineral resources on the outer Continental Shelf, and for other purposes.